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DAILY REPORT

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PRC DELEGATION ATTENDS UN WOMEN'S CONFERENCE

Chen Muhua Heads Group

OW120320 Beijing XINHUA in English 0250 GMT 12 Jul 85

[Text] Nairobi, July 11 (XINHUA) -- The Chinese delegation to the world conference on the United Nations Decade for Women, headed by State Councillor Chen Muhua, arrived here tonight. Deputy heads of the delegation, Huang Ganying, vice president of the All-China Women's Federation, and Wei Yongqing, Chinese ambassador to Kenya, are here already. The world conference has been organized by the United Nations to review and appraise the achievements of the U.N. Decade for Women, 1976-85, and is scheduled to be held here from July 15 to 26. Over 150 member states will send delegates to the conference.

Zhu Meide Addresses Forum

OW121638 Beijing XINHUA in English 1621 GMT 12 Jul 85

[Text] Nairobi, July 12 (XINHUA) -- A Chinese delegate to the world women's forum here told her audience today that the Constitution and other legislation in China stipulate that women enjoy equal rights with men in all spheres of life, political, economic, social, cultural and in family life.

Addressing a workshop on equality organized today by the forum, Zhu Meide, from the All-China Women's Federation pointed out that provisions in the Chinese Constitution and other legislation concerning equal rights and obligations between men and women are being perfected along with the strengthening of the socialist legal system of the country.

She said: "In recent years, the political status of women in China has been steadily enhanced. The percentage of women deputies to the National People's Congress, the organ of supreme state power, has increased from 12 percent in 1954 to 21.2 percent in 1983. There are now 10 women ministers and vice-ministers in the central government, one women governor and six vice-governors at the provincial level. In government institutions, there are six million women state functionaries involved in administrative work in political, economic, cultural, education and public health fields. Large numbers of women assume important leading posts in governments at all levels, and in various enterprises and undertakings."

She recalled the very miserable life the Chinese women were living before the founding of the People's Republic of China in 1949. She also stressed that women can win and exercise their equal rights only when they fully participate in the nation's development.

She said that Chinese women have always been an important force in the nation's economic growth. For instance, women in China now "constitute one-third of the nation's scientific and technical force, including scientists, senior engineers, specialists and business-persons."

Zhu Meide continued that the economic structural reform now going on in the countryside of China will give full scope to women's talents. "As women generate more income, their status is further enhanced both at home and in society," she said.

Meanwhile, Zhu pointed out that the feudal idea of male superiority left over from the past has not been totally overcome and discrimination against women still occur every now and then in China.

After Zhu's speech, a convener of the workshop told hundreds of women delegates from various countries at the meeting that the Chinese experience indicated that it is quite possible to change the status of women within two or three decades.

Li Xiannian Sends Message

OW150110 Beijing XINHUA in English 0055 GMT 15 Jul 85

[Text] Beijing, July 15 (XINHUA) -- Chinese President Li Xiannian today sent a cable of congratulation to the U.N. women's decade conference in Nairobi. He said in the message that women are an important factor in the cause of world peace and development.

He highly praised the U.N. women's decade for its contributions to promoting women in maintaining world peace, participating development, the realization of equality between men and women and the cooperations and exchanges between women of various countries.

MORE THAN 600 FOREIGN FIRMS OPEN BEIJING OFFICES

OW121104 Beijing XINHUA in English 0749 GMT 12 Jul 85

[Text] Beijing, July 12 (XINHUA) -- More than 600 companies, factories, or banks from foreign countries and Hong Kong and Macao have opened offices in Beijing, said the capital's foreign trade corporation general director, Gao Sen, today.

One-third of the offices belong to Japanese enterprises. The rest consist mainly of companies, factories, or banks from the United States, Western Europe, and Hong Kong and Macao.

The offices were mostly opened after 1979 when China first adopted the policy of opening to the outside world.

Gao Sen noted that the capital's foreign trade has boomed in the past six years. The city's volume of foreign trade last year reached 626 million U.S. dollars, 250 times that in the year 1950, he said.

The city's chief exports include clothing, traditional Chinese medicine, carpets, enamel, golden ornaments and rolled steel.

KANG SHIEN HOLDS MEETING WITH WORLD BANK OFFICIAL

OW110814 Beijing XINHUA in English 0802 GMT 11 Jul 85

[Text] Beijing, July 11 (XINHUA) -- State Councillor Kang Shien met here today with Jean-Loup Dherse, vice-president of the World Bank in charge of energy resources and industry.

The World Bank official has come to China to survey World Bank loan projects and discuss future cooperation with officials of Chinese Government departments.

Dherse will leave Beijing soon for a tour of an oilfield in the northwest China autonomous region of Xinjiang.

HONG KONG OFFICIALS REACT TO JENKINS TEXTILE BILL

OW121943 Beijing XINHUA in English 1921 GMT 12 Jul 85

[Text] Hong Kong, July 12 (XINHUA) -- Hong Kong's acting governor, Sir David Ake s-Jones, hinted today that the region could not depend on Britain to put pressure on the United States over the controversial Jenkins Bill.

Answering a reporter's question here on whether he expected the U.K. Government to help Hong Kong over the bill, Sir David did not say "no", but responded that it was basically Hong Kong's problem.

He hoped the present tide of opinion against the bill, which seeks to restrict textile imports into the U.S., would eventually scupper it.

Meanwhile, Hong Kong's commissioner for commercial affairs in the U.S., Bill Dorward, met on Thursday with senators and legislative aides in Washington to lobby against the bill, the Hong Kong Government information services reported today.

Dorward was quoted as saying that the bill's proposals were in clear and undeniable contravention of the General Agreement on Tariffs and Trade (GATT), the Multifiber Arrangement (MFA), and at least 12 bilateral agreements concluded under the MFA.

The exclusion of the European Common Market and Canada from the bill's provisions was both illegal and illogical.

He said: "It is illegal under world trade law, and illogical in that Europe and Canada provided the main source of growth in U.S. textile and apparel imports in 1984."

Dorward also pointed to the wide range of American interests in Hong Kong, as well as the strong links between the territory and the U.S.

Earlier this month, 28 developing countries sent a joint statement to the U.S. Administration and Congress strongly denouncing the bill.

RENMIN RIBAO ON NEW TAX PLAN, BUDGET DEFICITS

HK150741 Beijing RENMIN RIBAO in Chinese 5 Jul 85 p 7

["Economic Jottings" by Zhang Zhenya: "Reform of Tax System and Budgetary Deficits in the United States"]

[Text] The new plan for reform of the tax system put forward by President Reagan is termed the "second American revolution." Its main points include: personal tax rates for Americans will fall drastically from the present 50 percent to 35 percent; tax brackets will be simplified from the present 14 to 3; the personal exemption of every taxpayer and each of his family members will be increased from the present \$1,040 to \$2,000. It is said that 60 percent of American families will benefit by the tax reduction. The maximum corporate tax rate will be lowered from 46 percent to 33 percent.

In the meantime, President Reagan has also planned to abolish or reduce more than 65 kinds of preferential tax treatment so that federal government financial revenue will neither increase nor decrease compared with present revenue. It is said that the new tax system will encourage more American workers to work and save more money to speed up economic development.

It is reported that the reform is without precedent in the federal tax system since 1913. This will, of course, evoke repercussions throughout the country. At present, all individuals, families, and enterprises in the United States are assessing the advantages and disadvantages resulting from the reform of the tax system. Economists are using computers one after another to analyze the influence that the new tax system might have.

The new plan for the reform of tax system is a trump card played by Reagan during his second term. It will have a great bearing on the reputation of the President and the prestige of the Republican Party among American voters. Therefore, they will, naturally, do their utmost to boast of its advantages so that Congress will approve it.

However, some important American newspapers such as THE NEW YORK TIMES, THE WASHINGTON POST and others have asked the President and the Congress not to use the plan for the reform of the tax system to divert people's attention from the deteriorating budgetary deficits. They have opposed the act of putting these two matters on a par, because reducing deficits is an urgent need whereas the plan for reforming the tax system is a question for study that needs long discussion. It is impossible to make a rapid decision on the tax system.

Of course, the warnings issued by the newspapers are not aimless shooting. According to statistics recently issued by the Treasury Department, federal government expenditure last May was 100 percent higher than its revenue for the same month. The deficits reached an alarming level of \$40.05 billion. This phenomenon has never happened since World War II. Deficits during the first 8 months of this fiscal year reached \$156.2 billion, which was much higher than the deficits of \$140.2 billion during the first 8 months of the 1984 fiscal year. On 5 June, Stockman, director of the Office of Management and Budget, said that if the situation remained unchanged, the deficit would not be less than \$200 billion by 1988.

This was not the only bad news. The U.S. Commerce Department recently pointed out that the volume of imports reached a record \$30.1 billion in May, whereas export volume dropped to a record low for the past 5 months. The trade deficit for the month was as high as \$12.7 billion. Therefore, the U.S. market and employment are further held down, and its foreign trade is on the verge of disaster. Iron and steel, automobile, textile, agriculture, electronics, wood and shoe-making enterprises and others have one after another urged the government to take protective measures to curb imports. All this should be attributed to the huge federal deficits, high interest rates, and the high exchange rate of the greenback. Reducing federal budgetary deficits has increasingly become a number-one and pressing problem in the U.S. economy.

Reagan's new plan for reforming the tax system is formulated in accordance with the theories of U.S. supply-side economics, which advocates a great reduction of personal tax rate in order to stimulate personal savings and investment and promote economic development. Supply-side economics has always maintained that the drop in government revenue as a result of tax reduction is only temporary. With the speeding up of economic development, government revenue will increase and a balanced federal budget will thus be ensured. Starting in 1981, President Reagan reduced taxes for 3 years running. Although this had a certain bearing on the rapid development of the U.S. economy, the problem of balancing the budget was not successfully solved.

Therefore, people increasingly doubt whether the new plan for reforming the tax system can solve the problem. After making a calculation, the U.S. Treasury Department recently admitted that if the new tax system is implemented immediately, government revenue will be reduced by \$12 billion or so. It is obvious that using the new plan for reforming the tax system to solve the difficult problem of huge deficits in the U.S. economy is nothing but an illusion.

RENMIN RIBAO DISCUSSES WALKER ESPIONAGE CASE

HK150353 Beijing RENMIN RIBAO in Chinese 7 Jul 85 p 6

[Article by Le Shan: "The Walker Espionage Case and the U.S. Legislation Against Leakage of Secrets"]

[Text] A luxury car left Norfolk, an important U.S. Navy base, for Rockville, on the outskirts of Washington. The driver was John Walker, 47, a private detective in a Norfolk company and an ex-Navy communications expert who served 20 years in the Navy. The car sneaked past and eluded the FBI special agents who had been pursuing it for 3 hours. John Walker stopped his car under a tree where there was a sign saying "hunting prohibited." He took out a brown parcel and a bag, put them down, and then left the place. In a short while, an official of the Soviet Embassy drove past the place but did not stop. Then, the FBI special agents went to examine the things left by John Walker. There were 129 copies of confidential documents in the brown parcel, which included top-secret information concerning the nuclear powered aircraft carrier Nimitz and analyses by the U.S. Navy of the Soviet Navy's activities in the Mediterranean. On the morning of the second day, that is 20 May, John Walker was arrested.

Two days later, John Walker's son was also arrested on the aircraft carrier Nimitz. He was a petty officer first class on the carrier. A box full of top-secret information on Nimitz was discovered under his bed.

On 29 May, the FBI arrested John Walker's brother Arthur Walker at a beach in Virginia. Arthur Walker, an ex-Navy expert in antisubmarine warfare, was an engineer in a big company that contracted for Navy projects. The company's secret workshop undertook the maintenance of aircraft carriers and amphibious vessels. Arthur Walker offered information on U.S. antisubmarine warfare to John Walker and received \$12,000 as a reward.

The Walker espionage case involved a number of people and shocked the whole country. This serious espionage case, which involved classified information on cipher communications and antisubmarine warfare of the U.S. Navy, evoked nationwide attention.

Although the culprits were arrested with material evidence, there is lots of trouble in trying the case and making final decisions. According to federal criminal law, espionage activities are prohibited. However, there has been controversy over the explanations of such offenses. During peacetime, it is not regarded as a crime if a government functionary divulges secret information. Even if it is regarded as a crime, there are no explicit provisions in the law on how to pass sentence or whether the death sentence should be executed in serious cases.

During the early 1970's, the Nixon administration put forward a bill against divulging secrets, which explicitly stipulated that leaking secret information without permission was a crime. The bill was not adopted owing to objections by the press and civil libertarians.

Since the Walker espionage case created a great sensation, the drafting of the law against leaking secrets has been put on the agenda again.

The U.S. House of Representatives adopted a bill against leaking secrets on 27 June, which stipulated that the military courts can sentence convicted foreign agents to death during peacetime. This bill will become an official law if it is also approved by the Senate. In a speech broadcast on 29 June, President Reagan said that he will take vigorous measures to suppress increasing espionage activities and to guard against the stealing of U.S. military and industrial information.

SINO-U.S. UNIVERSITY PRESIDENTS SEMINAR OPENS

OW150826 Beijing XINHUA in English 0804 GMT 15 Jul 85

[Text] Beijing, July 15 (XINHUA) -- Presidents or vice-presidents of 10 Chinese and nine U.S. universities and the American Association of Universities began a 4-day seminar here today to promote understanding and exchange ideas.

He Dongchang, vice-chairman of China's State Education Commission, addressed the opening meeting. He said cooperation between Chinese and American universities had developed steadily in recent years. Exchange of ideas with educators from abroad represented an important aspect of China's planning in education.

The Chinese delegation is headed by Qu Qinyue president of Nanjing University. He said the university presidents attending the seminar would certainly find it very useful to sit together, exchange ideas, discuss problems and work out solutions. "It will undoubtedly broaden our views and stimulate our thinking," he added.

Head of the U.S. delegation, Steven Muller, president of Johns Hopkins University, said this first seminar marked the realization of a dream. "Our purpose is to inform each other in depth about each other's work, problems, challenges and methods." He said preparations for the second seminar to be held in the United States next year are already under way.

The universities represented at the seminar are some of the most prestigious of both countries. Included are Beijing, Qinghua, Fudan and Nankai of China and the universities of Michigan, Wisconsin, California at Los Angeles and Cornell of the United States. After the meetings, the presidents will visit the Xinjiang Uygur Autonomous Region at the invitation of the local government.

ZHAO ZIYANG HOSTS DINNER FOR PRINCETON PROFESSOR

OW151410 Beijing XINHUA in English 1327 GMT 15 Jul 85

[Text] Beijing, July 15 (XINHUA) -- Chinese Premier Zhao Ziyang hosted a dinner in the state guest house here this evening for Gregory C. Chow, professor of politico-economics at Princeton University of the United States, his wife Panla Chow and their children. He Dongchang, vice-minister of the State Education Commission, was also present.

FANG YI MEETS, FETES U.S. PHYSICIST PANOFKY

OW151840 Beijing XINHUA in English 1750 GMT 15 Jul 85

[Text] Beijing, July 15 (XINHUA) -- State Councillor Fang Yi met and gave a dinner for professor W.K.H. Panofsky, former director of the Stanford Linear Accelerator Center. Fang Yi praised the professor for his contributions to Sino-American cooperation in high-energy physics.

YAO YILIN BRIEFED ON NOVOSIBIRSK DEVELOPMENT

OW151805 Beijing XINHUA in English 1745 GMT 15 Jul 85

[Text] Novosibirsk, July 15 (XINHUA) -- V. Bokov, chairman of the Executive Committee of the Novosibirsk Regional Soviet, met with visiting Chinese Vice Premier Yao Yilin and his entourage here this afternoon and briefed the guests on the economic development of the region.

Novosibirsk City is the industrial and scientific-technological center of the Siberian region with a highly developed machine-building industry and the headquarters of the Siberian branch of the Soviet Academy of Sciences.

Yao Yilin arrived here from Kiev yesterday. He attended a dinner this evening given in his honour by the local government. Earlier today, the Chinese guests placed a wreath at the Monument to the Martyrs of the Patriotic War. They also visited the "academy town", 25 kilometers from the city.

PRC, USSR SIGN AGREEMENT TO OPEN BORDER PORTS

OW151655 Beijing XINHUA in English 1641 GMT 15 Jul 85

[Text] Harbin, July 15 (XINHUA) -- An agreement has been signed between China's Heilongjiang Province and Blagoveshchensk City in the Soviet Union on opening ports, goods transfer and shipping between the two bordering areas.

The talks on opening the ports of Heihe and Blagoveshchensk were conducted in Blagoveshchensk between a Chinese delegation from the Heilongjiang Province and a Soviet delegation from July 5 to 10. The Chinese delegation returned here yesterday.

The agreement is in accordance with a letter exchanged between Chinese and Soviet Government trade delegations in 1983.

China and the Soviet Union renewed their border trade in 1983. This year the volume of trade between Heilongjiang Province and the Soviet Far East District is expected to increase by 43 percent.

MORE CHANGES ANNOUNCED IN SOVIET MINISTRIES

OW160231 Beijing XINHUA in English 0217 GMT 16 Jul 85

["Soviet Minister Fired, Sixth Since March" -- XINHUA headline]

[Text] Moscow, July 15 (XINHUA) -- Soviet Minister of the Building Materials Industry Aleksey Yashin was dismissed by the Supreme Soviet today, the official news agency TASS reported.

Aleksey Yashin, 66, was the sixth minister of the Soviet Government dismissed since Mikhail Gorbachev became party general secretary last March. He was one of several ministers publicly criticized by Gorbachev at a June meeting on science and technology.

Yashin, who had held the post for the past six years, is to be replaced by Sergey Voyenushkin, currently holding the same job in the Soviet Republic of Russia.

Meanwhile, the Supreme Soviet also named Arkadiy Shashipyatilnikov minister of industrial construction today to replace Yuriy Solovyev who was appointed first secretary of the Communist Party in Leningrad recently.

GORBACHEV ON NEW 'FLEXIBLE MANAGEMENT' SYSTEM

OW120735 Beijing XINHUA in English 0630 GMT 12 Jul 85

[Text] Moscow, July 11 (XINHUA) -- Soviet leader Mikhail Gorbachev announced today that a new system of "flexible management" would be worked out this year in the drive to reform the country's economy.

Speaking at a meeting with party officials in Minsk, capital of the Soviet Republic of Belorussia, Gorbachev said that the Soviet Union will test a more flexible, up-to-date system of management designed to raise labor efficiency, increase the initiative and responsibility of enterprises, and remove barriers standing in the way of scientific-technical progress.

The Soviet leader criticized "certain leaders" for their irresponsible attitude toward the new tasks of the party, charging that they stick to "formalist methods of work."

According to the official news agency TASS, Gorbachev told his audience that the Soviet party Politburo had approved in general the draft guidelines for Soviet economic and social development for 1986-1990 and for the period ending in 2000. The production targets, he said, are "strenuous" and concerted efforts should be made to achieve and exceed these targets.

On priorities in the party's work, Gorbachev emphasized the importance of bringing the current Five-Year Plan, which ends this year, to a successful conclusion. The plan must be fulfilled without any amendments, he stressed.

He also called for attention to be paid to implementing the country's food program and the importance of a satisfactory harvest this fall.

Gorbachev returned to Moscow today after a two-day visit to Minsk, the third tour outside the capital that the Kremlin chief has made since assuming office in March.

POLITBURO CRITICIZES PERFORMANCE OF INDUSTRIES

OW130142 Beijing XINHUA in English 0129 GMT 13 Jul 85

[Text] Moscow, July 12 (XINHUA) -- Soviet Communist Party Politburo today reviewed the country's economic performance in the first half of this year and lashed out at a number of leading industries for failure to meet planned targets.

According to a Politburo communique released by the official news agency TASS this evening, industrial production registered a 3.1 percent growth in the first six months of 1985, lower than the planned yearly increase of 3.9 percent and the 4.5 percent hike attained during the same period last year.

However, the communique pointed out, the second quarter saw a 4.2 percent industrial growth, faster than that of the first quarter.

The Politburo emphasized that "not all branches of the economy had attained the rates ensuring the implementation of the planned yearly targets." It criticized the ministries of oil, ferrous metallurgy, fertilizers, building materials and timber, paper production and wood processing for their "insufficient growth in production efficiency" and "slowness in transition to intensive development."

The Politburo urged all departments and enterprises to do their best to meet the planned economic targets of this year.

GU MU ANNOUNCES 'SLOWDOWN' IN SOME OPEN CITIES

OW151544 Beijing XINHUA in English 1448 GMT 15 Jul 85

[Text] Beijing, July 15 (XINHUA) -- State Councillor Gu Mu said here today that China's policy of opening to the outside world will not change. He made the statement at a meeting with Dr. Yasusada Kitahara, senior executive vice-president of the Nippon Telegraph and Telephone Corporation (NTT), and other Japanese visitors.

Discussing the development plans for the 14 coastal cities open to overseas investment, Gu Mu said the government had decided to give priority of support to Shanghai, Tianjin, Dalian and Guangzhou, where fairly good conditions for foreign investment exist.

With regard to the other ten cities lacking such conditions, Gu Mu said that these cities would slow down the signing of contracts with foreign investors. The slow-down is only a "temporary phenomenon," Gu Mu added. These cities will certainly quicken their cooperation with foreign investors as time passes, he said.

Gu Mu and the Japanese visitors also discussed ways and means for expanding exchanges and cooperation in telecommunications. Also present was Yang Taifang, Chinese minister of posts and telecommunications.

CHENG ZIHUA MEETS JAPANESE FARMING GROUP

OW151741 Beijing XINHUA in English 1443 GMT 15 Jul 85

[Text] Beijing, July 15 (XINHUA) -- Cheng Zihua, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met this afternoon with a delegation from Japan's National Federation of Agricultural Cooperative Associations.

After the meeting the delegation, led by Executive Vice-Chairman Takashi Miyazaki, was honored at a dinner given by Pan Yao, acting president of the Board of Directors of the All-China Federation of Supply and Marketing Cooperatives.

The delegation arrived here today for the celebration of 30 years of ties between the two cooperatives. During their stay in China, the visitors will also tour Harbin and Xian.

NORTH, SOUTH KOREAN RED CROSS DELEGATES MEET

OW151415 Beijing XINHUA in English 1311 GMT 15 Jul 85

[Text] Panmunjon, July 15 (XINHUA) -- Red Cross delegates from both sides of Korea began a closed-door meeting here this morning to discuss details of exchanging visits by artists and civilian visitors. Chief delegates of North side Pak Yong-su said at a press conference after the meeting that the two sides exchanged views sincerely, but failed to reach agreement on the size of the art troupes and the number of the civilian visitors. It is said the two sides agreed to consider each other's proposals, and decided to meet again on July 19.

At earlier talks in Seoul last May, the two sides agreed that the visits should take place around August 15, the 40th anniversary of Korea's liberation from the Japanese rule. In today's meeting, the two sides had discussions and put forward their proposals on specific matters such as the names and size of the art troupes and the places they are going to visit and performances they are going to give. The two sides didn't agree on these matters since they are very complicated. However, they expressed their willingness to consider each other's proposals.

The meeting was attended by three delegates and three staff members from each side. The chief delegate from the South side is Song Yong-tae.

BORDER MILITIA PRAISED FOR FENDING SRV INTRUSIONS

OW160155 Beijing Domestic Service in Mandarin 1200 GMT 12 Jul 85

[Text] Militia units on the Guangxi and Yunnan frontiers have been praised by the PLA units and the masses for their role in supporting the battlefront and safeguarding the border region. Since last year, they have fought independently on more than 100 occasions, killing or wounding some 290 Vietnamese soldiers intruding into our territory.

Militia sentry posts have done a fairly good job in guarding their areas, blocking and checking enemy intrusions, and safeguarding border villages. Fearing neither hardships nor death, militiamen assigned to support the battlefront have braved the enemy's gunfire to transport munitions and other supplies and to rescue and move to safety injured comrades in total disregard of their own safety.

In times of battle, the Guangxi and Yunnan frontier militia have assisted local governments in organizing the masses to do emergency repairs on shelters against artillery attacks so as to protect the border residents' lives and property. In peacetime, the local militia have organized detachments to protect the masses engaged in production work in areas along the border.

(Lu Huachao), leader of the (Jiabang) militia platoon in Jingxi County, has led his men in sweeping mines placed in our border areas by Vietnamese troops. They have carried out 26 minesweeping missions and removed over 1,000 mines. (Lu Huachao) himself has removed as many as 520 mines, thus, he has been named king of the mine-sweepers.

FRANCE INCREASING TRADE TIES WITH HONG KONG

OW151441 Beijing XINHUA in English 1237 GMT 15 Jul 85

[Text] Hong Kong, July 14 (XINHUA) -- French firms show a growing attention towards Hong Kong both in itself and as a gateway to China, said French Consul-General in Hong Kong Andre Travert in a Bastille Day message published in the local press today. Since China's opening to the outside world and to international trade on a big scale, Hong Kong appears more and more as its natural intermediary, he said.

Travert described the present state of bilateral relations between Hong Kong and France to be "reasonably satisfactory" and would be "most encouraging" for the future. Bilateral trade between Hong Kong and France went up by 32 percent last year over 1983, he noted.

Local analysts attribute the upsurge partly to improvements in the economic situation in both places and partly to the optimism about the future of Hong Kong as a major trade center. There are more than 150 French companies in Hong Kong, including major banks and public works contractors.

French exports to Hong Kong increased by nearly a third last year, including a 7.5 percent rise in the export of capital goods as a result of contracts secured for various handling and civil works equipment.

Hong Kong's domestic exports to France, now its 10th largest market, were up by 21 percent to a total of 2 billion Hong Kong dollars (256.4 million U.S. dollars) last year.

Principal exports were cameras, clocks and watches, garments, toys and electronic equipment. There were also increases in the export of industrial machinery, telecommunications equipment and office and information machinery.

Hong Kong's re-exports to France rose by 21.6 percent, mainly consisting of petroleum products, dyestuffs, footwear, tea, coffee, spices and seafood.

About 2,000 French people are residing in Hong Kong, forming a small minority of the local population of 5,400,000.

LEADING BANKER CONFIDENT OF HONG KONG'S FUTURE

OW130916 Beijing XINHUA in English 0650 GMT 13 Jul 85

[Text] Hong Kong, July 13 (XINHUA) -- The opportunities created by the expanding China trade are likely to place Hong Kong among the fastest-growing economies of the dynamic East Asia region, Michael Sandberg, chairman of the Hong Kong and Shanghai Banking Corporation said here Friday.

Speaking at the British Invisible Exports Council conference, Sandberg assured the British bankers present that Hong Kong's future as a major financial centre would be safeguarded by the Sino-British joint declaration agreed in 1984.

Hong Kong's position in relation to China is now surer than it has ever been. It is therefore no exaggeration to say that Hong Kong should now be entering its period of greatest political stability, he said.

The gradual spreading of this new perception of Hong Kong has been reflected in the financial market: stock exchange prices have more than doubled since their lowest point in 1984 before the joint declaration and the Hong Kong dollar, though linked to the U.S. dollar, is at the moment the stronger currency of the two, he noted.

With the present Chinese policy there can be no doubt in anyone's mind that Hong Kong's current economic structures will be preserved, Sandberg said.

ZHAO ZIYANG MEETS SRI LANKAN MILITARY COMMANDER

OW151304 Beijing XINHUA in English 1242 GMT 15 Jul 85

[Text] Beijing, July 15 (XINHUA) -- Premier Zhao Ziyang had a cordial conversation with Tissa Idraka Weeratunge, Sri Lanka commander for joint operation, and his wife here this afternoon.

Extending a warm welcome to the visitors, Premier Zhao asked the general to convey his best wishes to Sri Lanka President J.R. Jayewardene and Prime Minister R. Premadasa.

Present at the meeting were Han Huaizhi, deputy chief of General Staff of the Chinese People's Liberation Army, and K.N. Samarasinghe, Sri Lanka ambassador to China.

General Weeratunge arrived here yesterday for a goodwill visit as guest of the Chinese Ministry of National Defense.

Yang Dezhi Fetes Weeratunge

OW151703 Beijing XINHUA in English 1644 GMT 15 Jul 85

[Text] Beijing, July 15 (XINHUA) -- Yang Dezhi, chief of the General Staff of the Chinese People's Liberation Army, (PLA) hosted a dinner here tonight in honor of Lt.-Gen. Tissa Idraka Weeratunge, Sri Lanka's commander of joint operations, and his wife.

Proposing a toast, Yang Dezhi paid tribute to the Sri Lanka Government and people for their success in safeguarding national independence and unity, and in developing their national economy. He also praised their contributions to peace and stability in the region.

Noting that there exists a traditional friendship between China and Sri Lanka, Yang Dezhi expressed the belief that General Weeratunge's visit would help promote friendly relations between the peoples and Armed Forces of China and Sri Lanka.

In his toast, Weeratunge reviewed the friendly exchanges between the two peoples and Armed Forces. He said that his visit was new proof of Sri Lanka's desire to strengthen cooperation with China.

Among those present at the dinner were Han Huaizhi, deputy chief of the PLA General Staff, and K.N. Samarasinghe, Sri Lankan ambassador to China.

Arriving here yesterday, General Weeratunge was honored at a welcoming ceremony earlier today, at which he reviewed a guard of honor made up of men of the three services of the PLA, in the company of Yang Dezhi.

Weeratunge also visited the PLA military academy and farms in Beijing's suburbs.

DEFENSE MINISTER ZHANG AIPING ARRIVES IN PORTUGAL

OW152345 Beijing XINHUA in English 2339 GMT 15 Jul 85

[Text] Lisbon, July 15 (XINHUA) -- Chinese State Councillor and Defense Minister Zhang Aiping arrived here this evening to start a week-long visit to Portugal. Portugal is the last leg of Zhang's three-nation tour, which has taken him to Pakistan and Romania.

The Chinese defense minister was warmly greeted by Portuguese Vice-Prime Minister and Defense Minister Rui Machete and other high-ranking officers at the airport. Zhang's visit is a return one. Portugal's late Vice-Prime Minister and Defense Minister Mota Pinto visited China in May of last year.

LOAN SUPPORTS SINO-FRENCH TRUCK-MAKING VENTURE

OW160137 Beijing XINHUA in English 0103 GMT 16 Jul 85

[Text] Washington, July 15 (XINHUA) -- The International Finance Corporation (IFC), an affiliate of the World Bank, is to make its first investment in China to assist a Sino-French truck-making joint venture to produce 15,000 pick-up trucks a year, IFC Executive Vice-President William Ryrie announced at a press conference here today. Sir William Ryrie, who is also IFC's chief operating officer, said that the 79.5 million dollar project is one of the four projects which are of "particular interest" to the world financial institution.

IFC is providing a loan of 15 million dollars and making an equity investment of 2.02 million dollars in the Guangzhou Peugeot Automobile Company Ltd., which will implement the project near Guangzhou, capital of Guangdong Province in southern China.

Other equity investments for the venture are provided by Guangzhou Automobile Manufactory (GAM), an existing bus assembler, investing 11.6 million dollars; Automobiles Peugeot, France's leading private automobile manufacturer, investing 5.6 million dollars; China International Trust and Investment Corporation, a Chinese investment company promoting foreign investment and technology transfer, investing 5.1 million dollars and Banque Nationale de Paris, the largest French commercial bank, one million dollars.

GAM has agreed, in principle, to offer 10 percent of the share capital of the company to the Chinese public, preferably to Guangzhou Peugeot Automobile Company workers, two years after start-up, which is scheduled for 1988.

This expected stock offering is the first of its kind done as part of a joint venture in China, IFC said. It reflects the Chinese Government's wish to develop the domestic capital market.

The project will save an estimated net foreign exchange savings of 11 million dollars a year and will generate more than 1,900 new jobs.

IFC was established in July 1956 and became a specialized agency in relationship with the United Nations on February 20, 1957. While closely associated with the World Bank, IFC is a separate legal entity. Its funds are distinct from those of the bank. IFC's purpose is to promote the growth of the private sector in developing member countries, encourage the development of local capital markets, and stimulate the international flow of private capital. IFC helped mobilize foreign capital and evaluate technical know-how transfer in this project and acted as a catalyst to further foreign investment in China.

FURTHER ON VISIT TO CANADA BY LI XIANNIAN

Li, Sauve Hold Talks

OW151918 Beijing XINHUA in English 1859 GMT 15 Jul 85

[Text] Ottawa, July 15 (XINHUA) -- Canadian Governor-General Jeanne Sauve met with Chinese President Li Xiannian at the Rideau Hall this morning and had a friendly talk with him. Jeanne Sauve told President Li Canada is willing to make efforts to further develop friendly ties with China. The governor-general again expressed her warm welcome to President Li for his visit to Canada.

President Li highly praised Canada for its role as a close and friendly partner of China. He said: "We will develop not only economic and trade relations between the two countries, but also political ties. There is no reason we don't keep good relationship with Canada."

The Chinese president said that China supports any proposals raised by Canada which are conducive to peace.

After the meeting, the two leaders walked out of the Rideau Hall and President Li planted a ginkgo tree outside the building. The tree, a kind of ancient plant originated in China and later taken to other parts of the world, is the first tree ever planted by a Chinese leader here.

Describing the ginkgo tree as a reminder of President Li's visit to Canada, the governor-general said that it embodies the friendship between Canada and China.

It is a usual practice that when a foreign head of state comes to visit the country in summer, he or she will plant a tree in the government house compound.

Li, Mulroney Discuss Issues

OW160008 Beijing XINHUA in English 2348 GMT 15 Jul 85

[Text] Ottawa, July 15 (XINHUA) -- Visiting Chinese President Li Xiannian and Canadian Prime Minister Brian Mulroney held talks at the government guest house here today on international and bilateral issues of mutual interest.

The two leaders had a full exchange of views on the ways to further strengthen Sino-Canadian relations. They were satisfied with their identity or similarity on many major international issues, according to the press briefing by the Chinese Foreign Ministry's chief press officer Ma Yuzhen, who is going along with the Chinese president on his current North American tour.

During the talks, President Li said that Sino-Canadian relations have been all along good since the establishment of diplomatic relations between the two countries 15 years ago. The current Canadian Government has further pushed forward the bilateral relations since its assumption of power, Li noted. He is convinced that the relations will become even better in the future.

The Chinese president said that there is no fundamental conflict of interests between China and Canada and that the two countries had no reason whatsoever to be unfriendly with each other.

Peace and development are the two issues of universal concern to the peoples of the world, Li said. The current international situation remains turbulent and tense, and war threat still exists, he said. But he pointed out that the forces to avert the war are growing and it is possible to prevent the war. President Li reiterated that China adheres to an independent and peace foreign policy, not to form alliance with any big powers and to work to safeguard world peace.

Li said that China, like Canada, stands for relaxation of the tense world situation. The most urgent thing to do is to put an end to the arms race between the United States and the Soviet Union, especially their nuclear arms race, he stressed.

The Chinese president also gave an account of China's domestic situation with stress on the ongoing economic reform.

Prime Minister Mulroney stressed during the talks that to all Canadian Governments, it is a corner stone of the Canadian foreign policy to maintain and consolidate Canada's relations with the People's Republic of China at any time.

Mulroney dwelt upon Canada's domestic and foreign policies. To all Canadians, he said, friendship and peace are what they most hope for. Canada will make positive contributions to the achievement of lasting peace, he added.

Mulroney said that there has been an all-round development of Canada's relations with China since the establishment of diplomatic relations between the two nations. He is of the opinion that the influence China is having on the world and the role she is playing on the arena of international peace are becoming more and more important. Maintenance of close relations and cooperation between Canada and China is bound to be an important contribution to the world peace, he noted. After the talks Prime Minister Mulroney gave a luncheon in honor of President Li.

Li, Mulroney Meet Press

OW152237 Beijing XINHUA in English 2202 GMT 15 Jul 85

[Text] Ottawa, July 15 (XINHUA) -- Canadian Prime Minister Martin Brian Mulroney will visit China before or after the seven Western nations' summit meeting in Tokyo in June next year. This was announced by Mulroney at the end of his talks here today with visiting Chinese President Li Xiannian.

During their talks President Li reiterated the Chinese Government invitation to Mulroney to visit China at a time convenient to the prime minister and Mulroney accepted the invitation with pleasure.

In a joint meeting with the press after their talks, President Li said that he and his Canadian host had an exchange of views on a number of issues. "Our views on these issues are either identical or similar," he noted, adding that the prospects for trade between China and Canada are very hopeful.

Mulroney said that he had an excellent meeting with President Li. He said China is an important trade partner of Canada, and that the potentials for economic and trade relations between the two countries are "tremendous." The Canadian Government is working as best it can to promote such relations, he stressed.

Canada and China also share mutual understanding with each other's policies on international issues, he noted.

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PRC INTERNATIONAL AFFAIRS
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Sauve Fetes Li

OW160610 Beijing XINHUA in English 0554 GMT 16 Jul 85

[Text] Ottawa, July 15 (XINHUA) -- Canadian Governor General Jeanne Sauve said here tonight that "Canada and China are firmly committed to a course of cooperation that will have far-reaching effect" and with Chinese President Li Xiannian's visit to Canada this cooperation will continue to make the two countries "loyal partners and proponents of concerted action to uphold the values" they all share.

She made the remarks at a state dinner she and her husband Maurice Sauve gave in honor of Li Xiannian and his wife Lin Jiamei at Lester B. Pearson Building which hosts the External Affairs Department.

She said: "You represent a large family of fellow human beings with whom we wish to develop and maintain warm and friendly ties" and "you represent the New China which hopes to find, with the leaders of our nation, ways of strengthening and broadening exchanges between our two peoples."

"We know that we can rely on each other and that it is possible to develop new programs which, along with existing ones, will provide a solid foundation for our friendship," she continued. "Your visit to Canada is a sort of consecration of this initiative."

She pointed out: "The prestige which your country enjoys here in Canada is the result of a number of factors, the most important of which is China's desire for ongoing dialogue with other nations. This dialogue produces results that go beyond the barriers of time and space, and reveals an ardent desire to contribute to the progress of humanity."

"The Chinese people are determined to develop their nation. They are working relentlessly to improve living conditions, and provide an example of unsurpassed industriousness and motivation," she stressed.

Recalling her visit to China in the 70's as science minister, she said: "Through good graces of my hosts there, I came to appreciate the enormous amount of work that has been accomplished by the citizens of China, to understand their ideals, and to observe the energy with which they are shaping their destiny." "My visit convinced me of the greatness of a nation which demonstrates its vitality and the full value of its aspirations."

She also indicated: "Canada is very much aware of the modernization process you began several years ago. The principles and methods that underlie the national goals of our two countries may be different, but that does not prevent us from sharing our views on how to use the tools of co-operation that we have forged and that we strongly wish to make more effective."

Sauve, Li Speak at Banquet

OW160626 Beijing XINHUA in English 0601 GMT 16 Jul 85

[Text] Ottawa, July 15 (XINHUA) -- Canadian Governor General Mme. Jeanne Sauve and Mr. Maurice Sauve gave a state banquet in honour of Chinese President Li Xiannian and his wife Lin Jiamei in the banquet hall of the External Affairs Department building here this evening.

In their speeches at the banquet, both Mme. Sauve and Li Xiannian expressed the desire to further promote the friendly relations and cooperation between the two countries.

Mme. Sauve said that in the past 15 years since the two countries established diplomatic relations in 1970, the number of meetings between their leaders has increased. She said: "We know that we can rely on each other and that it is possible to develop new programs which, along with existing ones, will provide a solid foundation for our friendship."

She noted that the prestige which China enjoys in Canada is the result of a number of factors, the most important of which is China's desire for ongoing dialogue with other nations. "This dialogue," she added, "produces results that go beyond the barriers of time and space, and reveals an ardent desire to contribute to the progress of humanity." She then went on to praise the ancient civilization in China, saying that China is today using its knowledge and skills to create new tools which meet the needs and demands of contemporary societies.

She pointed out: "The Chinese people are determined to develop their nation. They are working relentlessly to improve living conditions, and provide an example of unsurpassed industriousness and motivation."

Mme. Sauve then recalled her visit to China in the 1970s. She said: "My visit (to China) convinced me of the greatness of a nation which demonstrates its vitality and the full value of its aspirations."

"Canada and China are firmly committed to a course of cooperation that will have far-reaching effects," she said in closing.

President Li said in his speech: "Stable cooperation between China, with one fourth of the world's population and Canada, the world's second largest country in land area, will certainly strengthen the forces for world peace and benefit our two peoples, world stability and economic development."

He praised Canada as "a young and dynamic country" and the Canadian people for their achievements in building their own country. He said that a profound friendship has been forged between the Chinese and Canadian peoples in the course of over 200 years of exchanges.

Since the establishment of diplomatic relations between the two countries, he noted, "our friendly relations and cooperation have been developing smoothly and steadily." "Canada is now one of China's most important trade partners. Our cooperation and exchanges in scientific, technological, cultural and other fields have been expanding too." He said: "There are great potentials for the growth of Sino-Canadian cooperation both in the immediate future and from a long-term point of view."

President Li also dwelt upon China's peaceful and independent foreign policy and explained its policy of opening up to the outside world.

Present at the banquet on the Chinese side were Vice-Premier Li Peng, State Councillor Ji Pengfei, member of the Standing Committee of the National People's Congress Wang Zhaoguo, Chinese Ambassador to Canada Yu Zhan and other members of President Li's party.

Among the 120 Canadian personalities attending the banquet were Prime Minister Brian Mulroney and a number of other senior government officials.

Li Lauds Canada Ties

OW160400 Beijing XINHUA in English 0344 GMT 16 Jul 85

[Text] Ottawa, July 15 (XINHUA) -- China and Canada "can well be models of friendly cooperation between countries with different social systems" as there is no conflict of fundamental interests between the two countries, said Chinese President Li Xiannian here this evening.

In his speech at a state banquet given in his honor by the governor general of Canada, Mme. Jeanne Sauve, President Li said: "Between Canada and China there are many identical or similar views on major international issues." "Stable cooperation between China with one fourth of the world's population and Canada, the world's second largest country in land area," he stated, "will certainly strengthen the forces for world peace and benefit our two peoples and world stability and world economic development."

Li praised Canada as "a young and dynamic country" and the Canadian people for their achievements in building their own country.

He said: "In international affairs, Canada stresses maintenance of world peace, opposes war, pays attention to the development of relations with Third World countries and calls for arms control, especially nuclear arms control. Such a constructive position is exerting a positive influence on the world situation."

He stated: "A profound friendship has been forged between the Chinese and Canadian peoples in the course of over 200 years of exchanges."

"Since the establishment of diplomatic relations between the two countries in 1970," he said, "our friendly relations and cooperation have been developing smoothly and steadily despite the vicissitudes of the world situation." "In the past dozen years, the exchanges of visits between the leaders of the two countries deepened the mutual understanding and friendship between the two sides. Our bilateral trade has been increasing and economic cooperation continually expanding. Canada is now one of China's most important trade partners. Our cooperation and exchanges in scientific, technological, cultural and other fields have been expanding too. The development of Sino-Canadian friendly relations and cooperation is in the interests of both sides and is well received by the two peoples."

Li said: "There are great potentials for the growth of Sino-Canadian cooperation both in the immediate future and from a long-term point of view." "The policy of opening to the outside world is China's fundamental state policy, which will be pursued steadfastly on a long-term basis. We hope that the Canadian Government and businessmen will join us in exploring ways and means to expand our trade and our economic and technological cooperation in more forms and wider fields."

He said: "China is a peace-loving country. The Chinese people are engaged in a large-scale modernization endeavor and thus need an international environment of lasting peace. China pursues an independent foreign policy and will not enter into alliance or strategic relations with any big power. We hope to live in friendship and carry on mutually beneficial cooperation with all countries on the basis of the Five Principles of Peaceful Coexistence."

"We are firmly opposed to the arms race, especially the nuclear arms race. We stand for the settlement of international disputes by peaceful means and are opposed to power politics characterized by aggression, expansion and interference in the internal affairs of other countries. The Chinese Government and people will work together with other peace-loving countries and peoples for the relaxation of international tension and the maintenance of world peace," the Chinese president declared.

GIANT PANDAS SENT TO CANADA TO MARK LI'S VISIT

OW150745 Beijing XINHUA in English 0652 GMT 15 Jul 85

[Text] Beijing, July 15 (XINHUA) -- Two giant pandas left here this morning for Toronto, Canada, where they will be on show for three months starting July 19.

"Qingqing" and "Quangquan" from the Wolong nature reserve, one of China's ten giant panda protection zones, are flying to Toronto City via Hong Kong to mark the coming 15th anniversary of diplomatic relations between China and Canada and the current visit to Canada by Chinese President Li Xiannian. The show is sponsored by the China Wildlife Conservation Association. There are around 1,000 giant pandas in China. The panda has been listed as a rare and endangered species by the World Wildlife Fund.

PRC SIGNS TRADE ACCORD WITH TRINIDAD, TOBAGO

OW160228 Beijing XINHUA in English 0208 GMT 16 Jul 85

[Text] Beijing, July 16 (XINHUA) -- George Michael Chambers, prime minister of Trinidad and Tobago, left here this morning for Xian after a 3-day visit in Beijing. Chinese Premier Zhao Ziyang went to the state guest house to bid farewell to the Trinidad and Tobago prime minister. In the state guest house, Zhao and Chambers also signed an agreement of trade, economic, scientific and technical cooperation between China and Trinidad and Tobago.

JOURNALISTS DELEGATION ENDS VISIT TO MEXICO

OW140022 Beijing XINHUA Domestic Service in Chinese 1157 GMT 10 Jul 85

[Text] Mexico City, 9 Jul (XINHUA) -- A delegation of Chinese journalists left Mexico City for Colombia today after concluding its friendship visit to Mexico. The Chinese journalists delegation, headed by Lu Si, member of the Presidium of the All-China Journalists Association and chief editor of TIANJIN RIBAO, arrived in Mexico City on 29 June to start its visit at the invitation of the Mexican newspaper frontpage editors club. During its visit, the delegation met with Manuel Alonso Munoz, director general of social communications of the Mexican Presidential Office, and other Mexican Government officials. The delegation made extensive contacts with its counterparts in Mexican journalism and signed an agreement with the Mexican newspaper frontpage editors club on the strengthening and development of the friendly relations between the two countries' journalists

Arrives in Colombia

OW121939 Beijing XINHUA in English 1928 GMT 12 Jul 85

[Text] Bogota, July 11 (XINHUA) -- Colombian Foreign Minister Ramirez Ocampo reiterated here today that the Central American problem should be solved by the Central American people themselves. Receiving a Chinese journalists' delegation headed by member of the Presidium of the All-China Journalists' Association and editor-in-chief of the TIANJIN DAILY Lu Si, the minister said that the Contadora Group is concerned over the antagonism between the United States and Nicaragua stemming from the U.S. trade embargo on Nicaragua and the U.S. Congress' approval of the 27-million-dollar aid to Nicaraguan anti-government insurgents.

Citing the huge foreign debt as the fundamental problem facing the Latin American countries, Ocampo said, Latin American nations have to increase their exports every year so as to service their nearly 50 billion dollars in interest charges coming from their 400 billion dollars' foreign debt. He believed that Latin American countries' current efforts to fight against their foreign debt are not enough. They must work out an action criterion politically with the developing countries to seek a solution to the debt problem, he stressed.

Referring to his recent visit to China, Ocampo said that his country is now making preparations for the forthcoming visit by Chinese Premier Zhao Ziyang, which he believes will further promote the political, economic and trade ties between the two countries. The Chinese journalists delegation arrived here on July 9.

COAL MINISTRY CONTINUES TO IMPROVE PARTY STYLE

OW151201 Beijing XINHUA Domestic Service in Chinese 0304 GMT 15 Jul 85

[Text] Beijing, 15 Jul (XINHUA) -- Note of the Office of the Central Commission for Guiding Party Rectification: After basically completing party rectification work, the Ministry of Coal Industry has continued to pay close attention to rectifying party style. It has not only regarded the work as an important item on its agenda by constantly discussing, studying, and formulating practical plans and measures for rectifying party style at various levels but also regularly conducted strict examination to enforce their implementation at the next lower level by improving and carrying out regular organizational activities and making criticism and self-criticism, thereby achieving further progress in rectifying party style. The young cadres of the ministry who have assumed new posts after the recent readjustment have shown a strong determination to seek progress and, closely following and earnestly implementing the central authorities' guidelines, have performed their duties with meticulous efforts. All departments and localities should learn from or copy these young cadres' solid work style and experience in accordance with the actual situation in each department and locality. The leading bodies of all units, regardless of whether they have already completed or are still engaged in party rectification and, in particular newly readjusted leading bodies, must implement the guidelines of seeking truth from facts, refraining from empty talk, and doing solid work by going deep into reality and the grass-roots levels to relentlessly tackle one problem after another. It is imperative to rectify unhealthy style at anytime because, without a sound party style, there is no guarantee for reform. Once party style is on the correct track, it will encourage people to carry out reform more boldly and resolutely and give them greater confidence in the success of reform. It is wrong to think that correcting unhealthy style will affect and frustrate reform, or that unhealthy style trends are past and it is time to relax. We must surmount obstacles, including rectifying unhealthy style of various forms in the ongoing reform. Party organizations at various levels should by presenting facts and reasoning things out, help some comrades get rid of erroneous ideas about unhealthy style. (end of note)

The organ of the Ministry of Coal Industry and units directly under the ministry in Beijing have, after basically completing party rectification in each unit, continued to pay close attention to rectifying party style. In order to conscientiously solve problems and consolidate and develop the fruitful results of party rectification, they have, in light of realities, formulated plans and measures for rectifying party style at various levels and conducted strict examination to enforce the implementation of these plans and measures, thereby creating a number of party branches and members with strong party spirit and good thinking and style.

The organ of the ministry and most of the units under the ministry in Beijing, comprising 18 party committees, 25 party general branch committees, 280 party branch committees, and 4,177 party members, were involved in the first-stage party rectification. By summing up the experience in the party rectification, at the beginning of this year they realized that although the party rectification had been basically completed, party building was a protracted and arduous task and must continue to be carried out. The party group of the ministry and the party committee of the units under the ministry placed rectification of party style in an important position on their agenda. The ministry party group explicitly called on the party organizations at all levels to take concerted action to rectify party style in order to bring about a fundamental change for the better in party style as soon as possible.

Taking the lead in setting up a responsibility system for rectifying party style, the ministry party group specifically designated its principal leaders to take up the responsibility for the party style of members of the party group, vice ministers, and leading members of the units. At the same time, the ministry party group regularly held democratic meetings to solve problems concerning party style and discipline in good time. Based on the opinion of the ministry party group, the party committee of the units under the ministry formulated in February this year a "plan for the organ of the ministry and units directly under the ministry in Beijing to achieve a fundamental change for the better in party style," putting forth the basic requirements and measures for bringing about a fundamental change for the better in party style. After organizing the vast numbers of party members to study and discuss the plan of the ministry party group and the party committee of the units under the ministry, party committees and party branches at all levels mapped out specific measures for rectifying party style according to the actual situation in each unit.

To make sure that the plan for correcting party style is implemented and with results, the party organizations at various levels of the organ of the Ministry of Coal Industry and units directly under it in Beijing have each gone down to the next lower level to supervise the plan's implementation. The party groups have held party life meetings once every month to check up on problems concerning party style and to unfold criticism and self-criticism. Party branches and committees of general party branches have held party life meetings once every quarter to review the efforts made in implementing the plan to correct party style and practicing the party style responsibility system. Party committees and discipline inspection commissions at various levels have carried out a comprehensive review once every 6 months to see if any improvement in party style has been made in their respective units. At the same time, the findings of these reviews have been publicized; the good have been commended, the not-so-good criticized, and serious cases firmly dealt with. A written report on the findings of each inspection must be submitted to the party committee at the higher level. The discipline inspection commissions of the offices directly under the ministry will make spot checks on the implementation of the plan to correct party style.

The Ministry of Coal Industry is also taking various steps to commend units with good party style and party members who have made outstanding achievements in resisting unhealthy tendencies and to criticize and expose violations of law and discipline for the purpose of enforcing strict discipline. On the eve of the party anniversary, the offices directly under the ministry held their fifth party congress at which 25 party branches, 27 party groups, and 45 party members were commended. Last year, the ministry's machinery manufacturing company exceeded the limit on the amount of bonuses to be issued, gave one grade raise in wages to all workers and staff except the manager, and borrowed public funds to pay for refrigerators and color television sets. This unit has been used as a typical example by the ministry's party group and office in charge of party rectification to carry out education in party style and party discipline among all party members. The unit itself has also been ordered to make up for lessons missed in party rectification and to effectively correct its party style. At present the machinery manufacturing company's leaders have made a serious self-examination and taken measures to correct their mistakes. At present, all units of the Ministry of Coal Industry, from the ministry down to the basic level, have generally curbed the unhealthy practice of indiscriminately issuing cash or material rewards.

Because the Ministry of Coal Industry and the units directly under it in Beijing have a concrete plan for correcting party style, have taken practical measures to implement the plan, and carried out strict inspections, they are making further progress in improving party style. There have been a number of instances which manifest good style of work. They include being strict with oneself, handling matters with an impartial attitude, and observing discipline, which leading cadres are striving to practice themselves in an exemplary way. The processing and utilization bureau has held five conferences this year. It has strictly controlled the size of each conference according to its nature, instead of indulging in formalism, in order to achieve actual results. During a report meeting held in March this year on a project to use coal as a substitute for oil, the three cadres representing the bureau all stayed in a hostel and all of the 200 and more delegates to the conference made their reports as soon as they had registered for the conference and returned to their own units immediately after obtaining solutions to their problems. When the bureau held a meeting to exchange experience in coal molding technology at the Xijiao hostel in Beijing in April this year, it did not organize any tours, made no separate arrangements for meals, and paid no rent for the conference hall, thus saving on these expenses for the state. On the eve of this year's Spring Festival, a mining bureau sent a full van-load of food -- including wine, mushrooms, day lilies, and pickled eggs -- to the Wage Office of the Department of Labor and Wages. The comrades of the office patiently explained that they could not accept the gift, and all the food was sent back to the mining bureau. In the beginning of this year, some units offered high pay to comrades of the Department of Technology to work for them as advisers or information agents. The comrades of this department felt that the purpose of reform was to invigorate the economy and that all an office should do is to serve those at the grass-roots level. It should never use technical data belonging to the state to strike a deal for personal gains. They made it clear that they would help solve any problems they could solve, but that they would not accept any offer to work as paid advisers.

Toward the end of last year, when the practice of setting up "companies" was rampant in various quarters, some cadres suggested that the Education Department set up a "company" for purchasing teaching equipment for institutes of higher learning affiliated to various coal mines in order to earn "extra income." The leaders of the Education Department clearly indicated that although the suggestion was good, nobody would be allowed to use his position or power for personal gains in this matter. At present, the department is studying measures to improve the management of imported teaching equipment so as to provide better service for the institutes of higher learning. By paying close attention to conducting education on party spirit, style, and discipline among party members, the party branch of the ministry's Dongdan hostel thwarted an unhealthy plan last year to use public funds for making high-grade uniforms and rejected a mining bureau's generous offer to pay for the uniforms. Last year, the hostel's some 40 cadres and workers did not receive any bonus but turned 43.8 percent of excess profits to the state.

[XINHUA Domestic Service in Chinese at 0301 GMT on 15 July transmits a "public notice" which reads: "The Office of the Central Commission for Guiding Party Rectification has instructed us to relay the following message to all newspapers in the capital and of all provinces, autonomous regions, and municipalities: Please frontpage in a prominent position the item to be transmitted today on 'the organ of the Ministry of Coal Industry and units directly under the ministry in Beijing continuing to pay keen attention to rectifying party style to develop the achievements of party rectification and the note of the Office of the Central Commission for Guiding Party Rectification on this matter.' Thank you."]

RENMIN RIBAO ON DISCIPLINE IN PRICE REFORM

HK160713 Beijing RENMIN RIBAO in Chinese 8 Jul 85 p 2

[Commentator's article: "Heighten One's Sense of Discipline in the Course of Price Reform"]

[Text] A philharmonic orchestra, no matter how superb its conductor is, will never perform any inspiring and magnificent piece if the players of the orchestra all play their own tunes. Likewise, in China's reform of the entire price system, if all the departments and localities lack the concept of the general interest, and go their own way starting from their own interests, it will inevitably affect the smooth progress of the price reform.

Regarding some industrial products of daily use which are temporarily in short supply, some localities and management units have, without the sanction of higher authorities, recently readjusted their prices, allowed their prices to float, raised their prices for allocated commodities inside the commercial system, or reduced or cancelled the commissions. All this has affected the normal circulation of commodities, hurt the interests of consumers, seriously violated state financial and economic discipline, and interfered with the unified planning for the price reform. They violate the law and discipline. The nationwide price reform is a very complicated and arduous undertaking; and the state has determined the steps and measures for the price reform with scrupulous care. Because the prices of many commodities in China have been irrational and the levels of the productive forces and of people's consumption vary in different departments and localities, new situations and problems are bound to emerge in the course of the price reform. All departments, localities, and enterprises should always start from the interests of the state and people on this question involving the whole interests. They should conscientiously observe discipline, starting from whether it is favorable to the entire reform of the price system. Reform will be ever victorious so long as discipline is strengthened. In the course of the current reform of the price system, emphasis should be laid on this point in particular. By no means should we go in for the practice of raising prices for commodities allocated to places other than where they were produced, wholesale prices, and reducing or cancelling rates for commission without sanction; and of availing oneself of loopholes in the price reform and seizing the opportunity to make a profit. Responsible price departments should seriously deal with this problem and organize forces to check, weed out, and correct these malpractices.

YU QIULI WRITES ON STRENGTHENING PARTY SPIRIT

HK120237 Beijing HONGQI in Chinese No 13, 1 Jul 85 pp 3-6

[Article by Yu Qiuli: "Communist Party Members Should Consciously Strengthen Their Party Spirit in the Course of Reform" -- capitalized passages published in boldface]

[Text] We are observing our party's glorious festival at a time when China's political and economic situation is excellent, with all kinds of reform healthily developing. The party's 64-year fighting course has proved that communists leading the masses to implement the party's line, principles, and policies by their staunch party spirit and exemplary actions is an important guarantee for the victory of the cause of revolution and construction. At present, we are in the midst of the current of reform. The conscious enhancement of party spirit by communists is extremely important to strengthening the party's construction and the fulfillment of the party's general tasks and target.

Reform is an undertaking which is complicated and arduous, exploratory and path-breaking, and it is a profound revolution as well. The current revolution involves all fields of production relations and the superstructure, and will bring about a series of important changes in ideology, work, and life. Under this new situation, communists must possess bold vision and great willpower for revolution, dispel interference and resistance, and carry the reform through to the end. They must possess the spirit of daring to make progress and daring to break new paths. They must have a strong sense of responsibility for the party and people, using fewer empty words, but doing more practical work. They must possess the ideological qualities of being loyal to their posts, being honest in performing their official duties, and planning for the interests of the people in everything. All these are new and higher requirements on the party spirit of Communist Party members. And those ideas and views that the requirements on party spirit can be lowered in the course of reform are wrong.

Through our personal contacts and understanding, we find the majority of our contingent of party members is fine. In the course of party rectification, the majority of our party members have further strengthened their party spirit. However, we should also see that some party members have ideologically failed to keep abreast with the new situation of reform, because they have long been affected by "leftist" influences and the bondage of conventional ideas and force of habit. Some party members have been affected by the bad influences of the "Great Cultural Revolution" and undermined by decadent bourgeois and feudal ideas. They have so far failed to overcome their individualism, liberalism, anarchism, and factionalism. The emergence of new unhealthy tendencies is a conspicuous expression of those erroneous ideas. Besides, we should see that in recent years, the proportion of new party members has been rather great. Some of them lack strict training in inner-party life, and they are comparatively weak in the concept of party spirit. Some party members of a comparatively long standing have undergone some changes. Those who were once qualified have become less so at present. These conditions do not conform to the new situation of reform confronting us and also explain the necessity of, and the press for, strengthening party spirit at present.

Based on the new situation and the actual conditions inside the party, the CPC Central Committee has proposed making correcting new unhealthy tendencies, strengthening party spirit, consolidating discipline, and ensuring and promoting reform the focus of the current party rectification. Following the instructions of the CPC Central Committee, the Army is universally carrying out education in party spirit among its party members, which will create good conditions for the Army's structural reform, streamlining, and reorganization. At the expanded session of the Military Commission called recently, the implementation of the important strategic decision of the CPC Central Committee and the Central Military Commission on the Army's structural reform, streamlining, and reorganization was discussed. The session was most successful and the leading cadres are ideologically united. A most important reason is that party spirit has been strengthened in the course of the current party rectification. Reviewing the education in party spirit in the previous stage, we find it necessary to focus on the following questions regarding strengthening party spirit in the course of reform.

IT IS IMPERATIVE TO SUBORDINATE EVERYTHING TO THE GENERAL INTEREST. Comrade Deng Xiaoping has recently pointed out once again: "We must concentrate our efforts on economic construction to build China into a socialist, modernized power.

"This is in the general interest. It is imperative to emphasize subordination of everything to the general interest." The general interest in question represents the basic interest of the people of all nationalities throughout China and the realistic objective of the magnificent ideal of communism for today. In order to serve the people heart and soul and to dedicate their whole lives to the struggle for the realization of communism, communists must act in accordance with the general interest. There are different requirements for subordination to the general interest in different historical periods. In the war years, its focus was doing everything for the front to win final victory in the war. Today, the focus should be standing at the forefront of reform to strive for the prosperity of the country and people in one heart and mind. A party member with staunch party spirit must see and handle affairs from the vantage point of the general interest at all times under whatever circumstances. Deviation from the general interest means losing one's direction. Some undertakings are feasible from the view of partial interests, but not from the view of the general interest; we must refrain from doing them. Others seem to be unfeasible from the view of partial interests, but must be carried out from the view of the general interest; we must try our best to do a good job of them. Only when the ideology of the whole party is unified on the basis of the general interest, will it be possible to achieve harmony in our advance. Regarding reform, only when the concept of subordinating to the general interest is established, will the reform in all fields have a correct orientation and a good job be done in it. The Army's structural reform, streamlining, and reorganization are to subordinate it to the needs of the general interest of national construction. Our defense construction must be based on economic construction. It is impossible to realize the modernization of national defense if economic construction fails to come up. Therefore, it is primarily necessary to take into consideration the national economic construction needs in order to do a good job in building the peacetime Army.

CONSCIENTIOUSLY CARRY OUT PARTY POLICIES. The guidance of the party and government in reform is realized by means of a series of policies. Whether the policies can be implemented will have a direct bearing on the success of reform. A very important criterion for judging the party spirit of a party member is to see whether he is able to conscientiously carry out the policies of the party and government. Because of their limited ideological understanding, some comrades will undergo a process in understanding the policies of the party and government. We should make allowances for it; however, their actions should not violate the policies. A communist should strengthen his study and continuously deepen his understanding of the policies of the party and government, and consciously keep as one with the CPC Central Committee. Because reform is a brand-new undertaking, some policies of the party and government may not be complete and perfect in some respects when they are first proposed and need be substantiated and developed in practice, which is normal and in conformity with the law that governs the development of things. There are two different attitudes regarding this. One attitude is to correctly understand the basic spirit of the policies, to implement them creatively, and to continuously make them complete and perfect in practice. If the demarcation line of some specific policy is not explicit enough, they should conscientiously adhere to the principle of party spirit and determine what they should do and what they should not do, starting from the major prerequisite of whether it is favorable to developing social productive forces, and the prosperity of the country and people. The other attitude is to take advantage of some aspects of the policies which are not complete nor perfect enough, availing oneself of loopholes in the reform, seeking private gain for oneself or some small groups, and not hesitating to do injury to the interests of the country and people. Communists must adopt the former attitude and oppose the latter.

We should also see that in such a complicated and arduous reform, mistakes are liable to take place in some of our specific work. Our party's attitude toward reform is resolute but meticulous, to be sure that every step is on solid ground, and to solve problems promptly when they crop up. This is a Marxist attitude which is serious and truth-seeking. We should not doubt and even refuse to implement the policies of the party and state, because some problems have cropped up in our specific work.

PERSONAL INTERESTS MUST BE SUBORDINATED TO THE INTERESTS OF THE PARTY AND PEOPLE. The party's interests and the interests of the people are one. The party has no particular interests of its own apart from the interests of the people. Fundamentally speaking, the personal interests of party members are subsumed within, and are identical with the interests of the party and people. But in some specific questions, they might be contradictory. If this should happen, party members must subordinate their personal interests to the party's interests. Whether this can be achieved is the most practical test for the party spirit of a Communist Party member. At present, we should pay attention to handling two questions well. One is the correct handling of personal material interests. To continuously improve the people's standards of their material and cultural life is the requirement for reform as well as its purpose. The material interests of the people naturally include those of party members. However, communists should acquire a correct attitude towards personal material interests. For example, the party's advocacy that some people should get rich first starts from China's actual conditions, and is the inevitable road leading to the common prosperity of the people of the whole country. Communists can certainly get rich through their own diligence. However, as party members, they should often consider helping the people of their own units and localities to become rich. Those party members working in party and government organs and the Army should all the more support and help the masses to get rich first; they should "worry before the whole world worries, and enjoy comforts only after the whole world has enjoyed comforts." Otherwise, if they should "look forward to money in everything," and seek personal gain unscrupulously, they would be divorced from the masses, and even interfere with the reform. When we talk of personal material interests, it is still necessary for us to start from the present material conditions. If we disregard the developing level of production, without consideration for the state's financial and material resources, and ask too much for our treatment in life, we will be disappointed. If we manage to do it with an effort, we are likely to injure the basic interests of the state and people. The other question is the correct handling of the relationship between position and power. We are now in a period in which the replacement of cadres is being carried out. Both old and new cadres will face this question. Position and power are the responsibility for serving the people assigned to cadres who are party members by the party and people, and not the means for the individual to seek personal gain. With this understanding, it is possible for us to correctly understand the important significance of implementing the principle of cadres being revolutionary, younger in average age, better educated, and professionally more competent, and changing the life tenure of cadres. And the promotion, work transfer, and retirement of the individual will be correctly handled. Many old cadres have long worked diligently and conscientiously for the party, in disregard of their personal fame and interests. Now they put the party's cause above all else. They have retired happily and become "enlightened personages," while enthusiastically supporting younger cadres in taking up leading posts. Many young cadres have set strict requirements on themselves after taking leading posts. They have continuously improved their ideological level and work ability, and worked hard to create a new situation in their work. Their exemplary actions have set an example for correctly handling the relationship between position and power.

If a communist should fail to obey with pleasure the work assignment of the organization, and even abuses his power to seek "gain" for himself and his friends and relatives, this would not be a correct attitude to the relationship between power and position, but an expression of impurity in party spirit.

UPHOLD PARTY PRINCIPLES IN EVERYTHING WE DO. Whether things are done according to "human feelings" and "connections" or based on party principles is another test for the strength of one's party spirit. In economic work, we should observe the principle of commodity exchange of equal value, and handle business according to the law that governs the economy. However, we should by no means let the principle of commodity exchange invade the party's political life, taking the place of party principles and socialist comradeship. Although people have different positions and professional titles, they are all working for the common objective of building socialism and invigorating the Chinese nation. Inside the party, party principles are above all else, and communists should never barter away party principles and go in for the practice of establishing connections. Now a bad atmosphere exists. Things are done relying not on the organization but on "connections." Party principles are discarded and "human feelings" are stressed. For some personal interests or the interests of some small groups, some people are making use of, and even colluding with each other, knitting themselves into a most complicated "network of connections." In this "network of connections," everything can be done easily, while evildoing also goes unchecked. Work is very, very difficult to get done without some "connections," even in those pressing tasks. Human relationships have become sheer monetary relationship, something between gains and losses, which has nothing in common with the nature of our party, nor with the nature of our socialist society. It is extremely corrosive to party organization. Every party member should consciously resist and resolutely oppose such a corruptive style.

STRICTLY OBSERVE PARTY DISCIPLINE. In the course of reform, it is necessary to emancipate the mind and to invigorate the economy. However, we should by no means loosen the "ties" of party principles and party discipline. If discipline has become relaxed, with each going his own way, it will be impossible to carry out the reform smoothly. Observing discipline primarily means observing political discipline. The principles and policies determined by the CPC Central Committee and the various laws drawn up by the state must be resolutely implemented. We should refrain from the practice of implementing those policies and laws to our liking and refusing to implement those otherwise; by no means should we feign compliance, doing things in our own way. Every communist must observe the principle that the individual must subordinate himself to the organization. So long as we possess a strong sense of organization and discipline, and obey the party's work assignments and transfers under whatever conditions, it will be possible to form ourselves into a powerful combat collective and to maintain the party's combat effectiveness in fulfilling all kinds of complicated and arduous tasks. We used to have a fine tradition during wartime; out of the needs of our work, sometimes, cadres were transferred from the Army to work in the localities, or vice versa; at times, they were demoted. At that time, no matter how the transfer was made, one would shoulder his knapsack and leave for the new post at the order. This fine tradition should be carried forward. But of course, the party organizations should take into consideration bringing forward the specialities and the actual difficulties of party members in their work arrangements and transfers. The individual party member can make suggestions on the organizational work arrangements and transfers, but once an organizational decision is made, he should resolutely obey it. Communists should not only be models in observing party discipline themselves, but should by no means adopt a liberal attitude, such as letting things drift or turning a blind eye to phenomena violating or sabotaging party discipline.

FUNDAMENTALLY SPEAKING, TO CORRECTLY HANDLE THE ABOVE-MENTIONED QUESTIONS, IT IS NECESSARY TO ESTABLISH THE CONCEPT OF SERVING THE PEOPLE HEART AND SOUL. Our party is the true representative of the people of all nationalities of the whole country. The speeches and actions of every communist must conform to the interest of the people. He should resolutely do anything favorable to the people. He should not only refrain from doing anything harmful to the people, but resolutely resist and oppose such practices. At any time, a communist must be responsible to the people, which is identical with being responsible to the party. By no means should he pay attention only to his superiors, without paying attention to the grass-roots units and the masses. We should always bear in mind that serving the people wholeheartedly is the basic purpose of our party, and the focus and the supreme principle of the party spirit.

The genuine fulfillment of serving the people heart and soul involves a spirit of self-sacrifice. Comrade Hu Yaobang has pointed out: "To communists, the most important point in serving the people is the indispensable spirit of dedicating their whole life to the struggle for communism and sacrificing themselves willingly for the interests of the people." The self-sacrificing spirit is a fine tradition of our party and Army. In order to seize victory for the Chinese revolution, numerous communists were always in the forefront, and were the last to retreat; they fought heroically, shed blood, and sacrificed their lives. Today, it is still necessary for us to bring forward the revolutionary spirit of "fearing neither hardship nor death." During the period of socialist construction, we are required to defend the security of our motherland, to maintain social order, to overcome natural calamities, and to complete arduous and dangerous work. All this involves possible bloodshed and sacrifice. In modernization, the self-sacrificing spirit often finds constant and vast expression in being the first to bear hardships and the last to enjoy comforts, not caring for personal fame and interests in the spirit of devoting oneself to the revolutionary cause, and fearing no difficulties and daring to break new paths in reform. For example, the work conditions of each of our posts differ, so do the standards of living in various localities, if we would work at those posts where conditions are poor? If everyone would go only to big cities and economically developed regions, then, how are we to develop and build the border regions and change the features there? Communists and all advanced people should be happy to go to places where conditions are poor and to do arduous work. This involves self-sacrifice, and is precisely where the glories of communists and advanced people lie.

Now we often hear talks on the so-called "getting the worst of it." Some people just love to compare themselves with others, and always believe themselves suffering losses, complaining much about their own trades. However, if these people compare themselves with the revolutionary martyrs, the comrades who sacrificed themselves or were wounded at the front, and those unknown heroes who have made contributions at ordinary posts, all "talk about getting the worst of things" is groundless. Even if one did suffer some loss, that was a contribution to the state and people, and worth it. A communist should dedicate all he has to the party's cause from the very first day he joins the party, and he should be ready at all times to get the worst of it for the interests of the people. If he should think of gaining extra advantages in everything all the time, he is basically not up to the standards of a communist, and he has tainted the title of communist.

The spirit of self-sacrifice is the ideological basis for us to do a good job in all our work. With this spirit, we can fear no hardships or danger, work hard for the prosperity of the country, and break new paths making progress. We can score excellent achievements in our work by placing high standards on ourselves, strict requirements, and constantly improving ourselves. And we can work selflessly, and give our all until our hearts stop beating. It is also necessary to see that when a person sacrifices for the revolution and construction, his spirit will inspire more people to dedicate themselves to our cause. In the counterattack in self-defense against Vietnam, many new heroes emerged like Huang Jiguang, Chiu Shaoyun, and Luo Guangxie. This has demonstrated that the glorious images of the numerous heroes in the history of our Army still live in the hearts of our commanders and fighters, and have become examples for everyone to learn from. At the same time, it has demonstrated that the spirit of self-sacrifice, an excellent tradition of our party and Army has been passed on from one generation to the next, and has been brought forward. Its value cannot be weighed in terms of money. It is a valuable spiritual wealth, and will inspire and stimulate the people in the whole course of socialist construction. It will exert far-reaching influences on elevating the spiritual qualities of the Chinese nation.

Of course, when we focus on bringing forward the spirit of self-sacrifice, by no means are we going in for "leftist" practices. We should do our best to avoid unnecessary sacrifice, and resolutely oppose those actions which pay no attention to science, being irresponsible toward the lives and safety of the people.

Advocating sacrificing personal interests for revolutionary ones does not mean to negate the former. The organization should protect appropriate personal interests, and where possible, help solve their practical difficulties which should be solved.

Strengthening party spirit in the course of reform requires the joint efforts of all comrades in the party; in particular, leading cadres at all levels in the party should play an exemplary role. Our party's line, principles, and policies are entirely correct. So long as leading cadres at all levels play an exemplary role, and the 40 million party members consciously strengthen their party spirit, the combat effectiveness of our party will be greatly improved, and the people of the whole country will rally all the more closely around the party and strive for the fulfilment of the party's general tasks and target in the new historical period.

RENMIN RIBAO ON REGULATING PRODUCTION, MARKETING

HK151047 Beijing RENMIN RIBAO in Chinese 3 Jul 85 p 1

[Commentator's article: "Learn the New Skills for Regulating Production and Marketing"]

[Text] Since the beginning of this year, there has been an ample supply of poultry and eggs in many localities. But at the same time, purchasing departments in some localities have reduced the purchase prices of these products, thus arousing the peasants' dissatisfaction. As a result, some of the peasants would rather slaughter their chickens and ducks than engage in egg production. If this is allowed to continue, it will not be long before poultry and eggs are in short supply. If this happens, the interests of consumers will be affected.

In the course of reforming the unified purchase system for agricultural products, the production and marketing of agricultural products such as poultry and eggs rely on regulation by market mechanism. It is normal to reduce the prices a little of products for which supply exceeds demand and to raise the prices a little of products in short supply. It would be irrational to not readjust prices. We should teach the peasants in such a way that they gradually understand the role of regulation by market mechanism, have a good grasp of the relationship between supply and demand, and arrange their production according to the market situation. But at present, it is very difficult to require the peasants to acquire all this, as China's rural areas do not have good transportation facilities, quick access to information, strong processing ability, or smooth circulation channels. In addition, the market situation in some localities does not necessarily reflect social demand. And area may have an ample supply of certain products, while another area may be short of these products. When certain products are in abundance, purchase departments should find a market for the producers of these products instead of rashly reducing the prices of these products, so as not to harm the interests of the producers or dampen their initiative.

Developing socialist commodity economy and expanding the role of market mechanism are new things to vocational departments and producers. They lack experience. One should take marketing into account while carrying out production and should take production into account while carrying out marketing. It will not do to pay attention only to one aspect to the neglect of the other. It is impossible to avoid blindness absolutely in production, but it is possible to reduce it and to prevent large-scale price readjustments. Therefore, vocational departments in various localities should do a good job in forecasting information in dredging the channels of circulation, and in providing socialized services for the peasants before, during, and after production.

Many areas have rapidly developed the production of poultry, eggs, and watermelons in the course of reforming the unified purchase system for agricultural products and readjusting the agricultural structure. Vocational departments in various localities should consider how to regulate the production and marketing of these agricultural products, how to prevent low prices from ruining the peasants, how to protect the interests of producers and consumers, and how to ensure the coordinated and balanced development of production and marketing. Some people say that leading organs have nothing to do, as control is no longer exercised over the purchase and marketing of agricultural and sideline products; others are of the opinion that carrying out regulation by market mechanism means allowing the peasants to do anything they like. These views are all wrong. We should proceed from the present actual problems, probe and accumulate a series of new skills for guiding peasant households in developing commodity production, and make preparations for developing commodity production on an even larger scale.

DENG LIQUN AWARDS PRIZES AT BEIJING RECITAL 3 JUL

OW050905 Beijing XINHUA Domestic Service in Chinese 1759 GMT 3 Jul 85

[By reporter Qin Jie]

[Excerpt] Beijing, 3 Jul (XINHUA) -- A recital was given here this evening by Wang Yanyan, Liu Weiwei, and Zhao Bixuan, prize winners at the 12th Rio de Janeiro international singing contest.

Deng Liqun, member of the CPC Central Secretariat; Lin Mohan, adviser of the Ministry of Culture; and others extended their congratulations to the winners and awarded prizes to them before the recital began.

Deng, Song Renqiong at Art Center

OW051143 Beijing XINHUA Domestic Service in Chinese 1130 GMT 4 Jul 85

[By reporter Yin Zhuhong]

[Excerpt] Beijing, 4 Jul (XINHUA) -- A center for exchange with foreign countries in fine arts education was established in the Central Academy of Fine Arts today.

Attending the ceremony for the establishment of the center today were Song Renqiong, member of the CPC Central Committee Political Bureau; Deng Liqun, member of the CPC Central Committee Secretariat; Huang Hua, vice chairman of the NPC Standing Committee; Lu Zhixian, Rong Gaotang, Lin Mohan, Bai Jiefu, Wu Zuoren, Li Keran, Jia Junwu, and Gu Yuan, responsible persons of departments concerned; as well as more than 400 people from cultural and art circles in the capital. A representative of the International Cultural and Art Fund and cultural officials of some embassies in China were also present.

NGAPOI NGAWANG JIGME WELCOMED IN XIZANG REGION

HK070325 Lhasa Xizang Regional Service in Mandarin 1130 GMT 6 Jul 85

[Excerpts] Ngapoi Ngawang Jigme, vice chairman of the NPC Standing Committee, arrived in Lhasa on the morning of 6 July. He was welcomed by leading comrades of the party and government in the region Wu Jinghua, Pagbalha Geleg Namgya, and Lang Jie. Comrade Ngapoi Ngawang Jigme has come to inspect and guide work in Xizang. He was also met and welcomed in Lhasa by Yin Fatang, former first secretary of the regional CPC Committee, and by responsible comrades of the regional People's Congress Standing Committee, government, and CPPCC.

LIAOWANG INTERVIEWS NGAPOI ON AUTONOMY LAW

OW151220 Beijing XINHUA Domestic Service in Chinese 0200 GMT 15 Jul 85

[Text] Beijing, 15 Jul (XINHUA) -- Since the "Law of the PRC Concerning Regional Autonomy of Minority Nationality Areas" was put into effect a year ago, various minority nationality areas have begun to reap benefits in the course of implementing this law, which has truly played an important role in promoting the development of the economy and culture. This was said by Ngapoi Ngawang Jigme, vice chairman of the NPC National Committee and chairman of the NPC Nationalities Committee, during a recent interview with a reporter of the weekly LIAOWANG. The interview was published in issue No 28 of the magazine, which came off the press today.

Vice Chairman Ngapoi Ngawang Jigme said: Since the promulgation of the law, many national autonomous areas, including autonomous regions, autonomous prefectures, and autonomous counties, have been actively drafting their autonomy regulations or special regulations in order to specifically implement the provisions of the law. Quite a number of areas have already completed drafting their autonomy regulations and are extensively seeking suggestions. The people's congress standing committees of the provinces that have autonomous prefectures and counties under their jurisdiction are drafting rules for implementing the law in order to promote economic and cultural development in minority nationality areas. It can be said that all of these efforts are an effective measure for ensuring the implementation of the regional autonomy law.

He said: The promulgation and implementation of the law are giving a powerful impetus to the development of the economy, culture, and education in minority nationality areas.

In the past year many national autonomous areas have exercised their rights to manage the economic, financial, cultural, educational, and other fields of work according to the provisions of the autonomy law. In economic development, these areas have made great efforts to readjust and reform the system of economic management by implementing the principle of enlivening the domestic economy and opening up to the outside world, and correcting "rightist" mistakes in economic construction. Some national autonomous areas are drawing up plans for future development and key construction projects and are studying ways to rationally readjust the structure and distribution of production; under the guidance of the principle of giving consideration to local conditions and making the best possible use of favorable conditions and avoiding the effects of unfavorable ones, they are doing their utmost to promote the development of the economy, forestry, and animal husbandry in mountainous areas and to support village and town enterprises and the processing of special indigenous products. Quite a number of autonomous areas, acting in accordance with the provisions of the regional autonomy law, are actively developing activities for mutual support, economic cooperation, and consultation services with other developed areas in the hinterland as well as along the coast; at the same time, they have hired qualified teachers and other specialized personnel to work in minority nationality areas. In these areas the work of using foreign capital to import advanced foreign technology and equipment and of setting up Chinese-foreign joint ventures is being actively carried out. Some national autonomous areas have also made use of natural geographical conditions to develop tourism and the service trades in order to stimulate the economic and cultural development.

In addition, state organs at the higher level have acted according to the provisions of the regional autonomy law and transferred some important key enterprises to autonomous areas, thereby reinforcing their economic strength. In the fields of culture and education, the state and localities have increased investment to develop intellectual resources and have set up nationality colleges, schools, and preparatory classes of various types and levels in order to train a large number of minority nationality cadres, technicians, and managerial personnel. The number of students attending colleges and secondary specialized schools has increased considerably in many autonomous areas.

Discussing the training of nationality cadres, Ngapoi Ngawang Jigme pointed out: New advancement has been made in this work. The proportion of nationality cadres in the leading bodies of various levels has been increased by boldly promoting outstanding minority nationality cadres to leading positions. Now, the chairmen of the autonomous regions and heads of the autonomous prefectures and counties are citizens of the nationality that practices regional autonomy; the chairmen of people's congress standing committees of various national autonomous areas are also citizens of the nationality that practices regional autonomy. The number of nationality cadres accounts for a certain proportion in the autonomous organs and in the ranks of leading cadres at all levels. The proportion of nationality cadres in leading positions is greater than in the past.

At the same time, special methods have been adopted by schools to vigorously train reserves for nationality cadres by admitting more minority nationality students and training minority nationality scientific and technical personnel; moreover, the sources of cadres have been expended by hiring personnel from among the rural population in minority nationality areas according to the stipulations of the state. Thus, the vitality of the growth of nationality cadres has been restored. However, frankly speaking, our present nationality cadres, both in quantity and quality, still fail to meet the needs of development in national autonomous areas.

With some exceptions, the proportion of minority nationality cadres in the various autonomous areas is generally lower than the proportion of the minority nationality population in these areas; the proportion of minority nationality cadres in some autonomous areas is even lower than in the 1950's. This is because the development of young cadres failed to meet the needs of the situation. He also noted that various national autonomous areas had encountered the problem of aging cadres and the lack of leading cadres and scientific and technical personnel in the course of carrying out modernization. This, coupled with the massive outflow of cadres of Han nationality (mainly intellectuals), has become a serious problem. Therefore, in implementing the regional nationality autonomy law, it is necessary to vigorously train minority nationality cadres, bring their role into full play, implement the policy on intellectuals, and encourage Han specialized technicians to work in nationality areas. We believe that so long as we resolutely implement the line of the 3d Plenary Session of the 11th CPC Central Committee and the regional nationality autonomy law, a contingent of nationality cadres able to meet the needs of the four modernizations will develop quickly and share the heavy responsibility with Han cadres in carrying out modernization in the national autonomous areas.

Ngapoi Ngawang Jigme said: Initial results have been obtained in implementing the regional nationality autonomy law, but implementing it is a specific and meticulous task and required long-term efforts. Besides, there are a number of problems that need solutions.

First, it is necessary to further publicize and study the regional nationality autonomy law. I understand that since the law's promulgation, various areas have publicized it, but, as this was done superficially, the cadres and masses in various areas do not understand it well. Therefore, it is necessary to further publicize it and further organize its study in order to strengthen the cadres and masses' awareness of the legal system and the party's policy of regional autonomy in minority nationality areas.

Second, speedily strengthen the building of the legal system in the minority nationality areas. It is necessary to quickly draw up autonomy regulations and special regulations in the national autonomous areas. Concerned provinces and departments must draw up rules or specific plans for the implementation of the regional nationality autonomy law. This is to ensure that the law's provisions are specifically implemented.

Third, in the course of reforming the economic structure, it is necessary to integrate the implementation of the regional nationality autonomy law with the reform work, rationally readjust the relations of production in the minority nationality areas, and reform the economic management system in order to safeguard the right of the national autonomous areas to autonomy in the course of economic reform. Care should be taken, however, not to apply the same formula to all areas.

Fourth, all localities and departments should conscientiously examine their work on the basis of the regional nationality autonomy law and correct the rules and regulations that run counter to the law's provisions.

LIAOWANG TALKS WITH XU XIANGQIAN ON HUANGPU SPIRIT

HK121012 Beijing LIAOWANG in Chinese No 26, 1 Jul 85 pp 20-21

[Report by Jia Zongyi: "Xu Xiangqian on Carrying Forward the Spirit of the Huangpu Military Academy"]

[Text] From 11 to 16 June, the Huangpu Academy Alumni Association held its first congress in Beijing. During the meeting, Marshal Xu Xiangqian, vice chairman of the CPC Central Military Commission and president of the Huangpu Academy Alumni Association, granted an interview to LIAOWANG on 15 June.

When talking about the prospects for the peaceful reunification of the motherland, Marshal Xu said: "I am hopeful that peaceful reunification will eventually be realized between the mainland and Taiwan despite the many difficulties lying ahead. One hand alone cannot clap. Peaceful reunification requires the joint efforts of the two sides." Marshal Xu added: "The Huangpu Military Academy was a product of the cooperation between the KMT and the CPC. The teachers and students of the Huangpu Academy played a good role in promoting the first and second rounds of KMT-CPC cooperation. Alumni of the Huangpu Academy are now found in all corners of the mainland, Taiwan, and other parts of the world. They will use various methods within their ability to promote the third round of KMT-CPC cooperation and will make further contributions to the reunification of the motherland according to the formula of 'one country, two systems.'"

Xu Xiangqian is a first-term graduate of the Huangpu Military Academy. During the alumni meeting, he met with many old schoolmates and old friends, and talked happily with them about the old days. He recollected to this reporter his life at the military academy and warmly talked of the meritorious deeds of the Huangpu cadets and alumni in the early years and during the anti-Japanese war and of the functions that Huangpu alumni should perform in the future.

Recalling the Eventful Old Days

Xu Xiangqian was born in 1901 to a poor family in Wutai County, Shanxi Province. His father was a junior scholar. When he was young, he worked as an assistant for a bookstore. This gave him the opportunity to read many classical Chinese novels such as "The Romance of the Three Kingdoms." Later on, he graduated from a teacher's school in Taiyuan and worked as a school teacher for a time.

In 1924, together with 10 others, Xu Xiangqian entered the Huangpu Military Academy with the hope of rescuing the nation and seeking truth. On 16 June 1924, the academy held its inaugural ceremony. "That day, Dr Sun Yat-sen made a speech over an hour long at the assembly hall." Xu Xiangqian recalled: "His speech was penetrating and brilliant, filled with a revolutionary spirit, and greatly convincing. It greatly inspired the cadets and the teaching staff. Even today, we are still inspired by reading this speech. Sun Yat-sen demanded that Huangpu cadets never seek power and money, but just dedicate themselves to the cause of rescuing the country and the people wholeheartedly." The young Xu Xiangqian bore Sun Yat-sen's instructions in mind and threw himself into the revolutionary torrent. The Huangpu Military Academy thus became the starting point of Marshal Xu Xiangqian's revolutionary career.

After graduating from the military academy, Xu Xiangqian was assigned to lead a platoon in the 3rd Brigade, consisting of third-term cadets. In February 1925, he took part in the first eastern expedition. After starting from Guangzhou, the expedition army fought along the Dong Jiang and conquered Shantou after more than 2 months. Marshal Xu said, gesturing: "The contingent of our Huangpu cadets shouldered the battle tasks on the right flank. In the battles, we all fought bravely and vied with each other in charging ahead. On the march, we loudly sang our school song: 'Use our blood to fertilize flowers, take our school as home, we will not hesitate to undergo all hardships in order to build a strong China. Many Huangpu cadets bravely sacrificed their lives in the battles. The 500 Huangpu cadets of the first term were all ardent young people. They fought through all sorts of hardships. These 500 cadets and the training regiment of the academy constituted a backbone force in the two eastern expeditions and the northern expedition. Without the force of the Huangpu Academy, there would not have been the national revolutionary Army.'"

"In the early years of the Huangpu Academy, why did the school show such a strong revolutionary and progressive character?" asked this reporter.

"This could not be separated from the efforts made by many Communists and KMT leftists." Marshal Xu explained: "The political department of the academy, headed by Zhou Enlai, played an active role in cultivating a revolutionary spirit among the cadets. It used various forms to conduct communist ideological education among the young soldiers so as to render them dedicated to the interests of the Chinese nation and the public."

From its founding to the failure of the great revolution in 1927, the Huangpu Military Academy trained four groups of graduates and established branch schools in Chaozhou, Nanning, Changsha, and Wuhan. Among these, the Wuhan school was the most famous. For the first time, the Wuhan branch school recruited a group of female cadets and established a detachment of female cadets.

Marshal Xu said: "Many of the Huangpu cadets in this period became the backbone elements of the Red Army independently led by the Communist Party after the split between the KMT and the CPC. Among the first-term Huangpu graduates, there were also a number of military leaders of the reactionary clique. This is a fact known to all. Even so, the early period of the Huangpu Military Academy is worth commemorating, and its pioneering spirit and revolutionary school spirit should be imprinted on our memory."

Instructors and Cadets of the Huangpu Academy Fought in Bloody Battles Against the Aggressors

"How did the CPC and the KMT enter the second round of cooperation? What contributions did instructors and cadets of Huangpu make to this cooperation?" asked this reporter.

Marshal Xu said: "After the '12 April coup d'etat' in 1927, the Huangpu Military Academy began to 'purge dissidents inside the KMT.' A vigorous great revolution was thus ruined. The KMT started an anticommunist civil war, and wars continued between new warlords after the split between the KMT and the CPC. This provided an opportunity for Japanese imperialist aggression against our country. By staging the '18 September incident' in 1931, the Japanese occupied all of northeast China. Then they went ahead to encroach upon Nei Monggol and the northern Chinese provinces. The Chinese nation was at a critical juncture. Placing the interests of the nation first, the CPC published the '1 August declaration' in 1935, proposing an immediate stop to the civil war and national unity to fight the Japanese aggressors. This proposal was supported by people throughout the country and by some patriotic generals of the KMT Army. On 12 December 1936, Generals Zhang Xueliang and Yang Hucheng staged the well-known 'Xian incident' which shocked the whole country and the whole world. With the help and mediation of the CPC representative, Zhou Enlai, Mr Chiang Kai-shek accepted the proposal for unity and fighting the Japanese, and the Xian incident was settled in a peaceful way. Through repeated negotiations, the two parties respectively issued statements announcing the end of the civil war and the joint position of fighting the Japanese. Thus, the second round of KMT-CPC cooperation began, bringing about a new upsurge of anti-Japanese struggle in the nation."

After a short pause, Marshal Xu added: "Under the banner of unity and fighting the Japanese aggressors, former instructors and cadets of the Huangpu Academy in both the KMT and the CPC were eager to lead their troops to the anti-Japanese battlegrounds."

"They bravely attacked the Japanese aggressors in battles in Shanghai, Taierzhuang, Pingxingguan, Xinkou, Taiyuan, Wuhan, Changsha, western Henan, northern Hubei, and western Hunan, and in the expedition into India and Burma. The 8th Route Army, the New 4th Army, and other Armed Forces went deep into the enemy's rear areas to extensively mobilize and organize the masses, carry out a guerrilla war against the enemy, and establish anti-Japanese bases. Some Huangpu alumni, including Zuo Quan, deputy chief of the General Staff of the 8th Route Army; Major General Dai Anlan, a KMT division commander, and Major General Huang Meixing, another KMT brigade commander, heroically gave their lives for their motherland and performed immortal feats for the liberation of the Chinese nation. Through 8 years of bloody battles, the Chinese Army and people eventually won great victory in the anti-Japanese war.

Never Forget the Need To Be United and To Make Joint Efforts To Boost China

"In this century, the Chinese nation experienced the 1911 revolution and the founding of the PRC, two major historical changes. Now the Chinese nation is prepared for its third major change -- the realization of socialist modernization. In this new historical period, what functions can the Huangpu alumni perform?" asked this reporter.

"Huangpu alumni can do a lot of things to promote the realization of our socialist modernization and of the motherland's reunification. Each member of the Huangpu Alumni Association will carry forward the Huangpu spirit and will make efforts to promote the motherland's reunification and China's development." Marshal Xu added: "Huangpu alumni now have a thousand and one links with all quarters of the party, the government, and the Army, as well as with overseas connections. Most of them have experienced the first two rounds of KMT-CPC cooperation and our nation's course of changing from the weak to the powerful and prosperous. They can use their status and capacity to promote the third round of KMT-CPC cooperation through various channels and in various forms and can play a major role in promoting the peaceful reunification of the mainland and Taiwan."

Marshal Xu said: "Over the past 60 years, tremendous changes have occurred in China, and the Chinese people are now standing on their own feet in the family of the world's nations. The ideal for which Dr Sun Yat-sen struggled is now becoming a reality. Today, on the mainland of the motherland, the government functions well and the people enjoy peace. Undertakings in all trades are going to develop. However, the country has not been completely reunified, and the nation has yet to become more powerful and prosperous. I remember Dr Sun Yat-sen's remarks that 'unification represents the aspiration of the whole nation. If unification can be realized, the whole national will be happy; otherwise, the whole nation will suffer.' The reunification of the country represents the common desire of the people and the aspiration of the nation. It is an irresistible historical trend."

At the end of the interview, Marshal Xu called on all Huangpu alumni on the mainland, on Taiwan, in Hong Kong and Macao, and in overseas areas to "bear Dr Sun Yat-sen's instructions in mind, carry forward the Huangpu spirit, and join hands in contributing to the motherland's reunification and to China's development."

COMMENTATOR ON COMPREHENSIVE USE OF RAW MATERIALS

HK151116 Beijing RENMIN RIBAO in Chinese 6 Jul 85 p 2

[Commentator's article: "It Is Necessary To Implement the Policy of Encouraging Comprehensive Use of Raw Materials"]

[Text] At present quite a few enterprises lack raw materials, but, at the same time, there is a serious waste of resources. According to our incomplete statistics, every year our country turns out several hundred million tons of industrial waste residue and tailings that consist of useful materials, but only 20-odd percent of them are comprehensively used. This shows that there is great potential to tap in developing the comprehensive use of raw materials.

In order to speed up the development of the comprehensive use of raw materials, we should faithfully implement the policy to encourage this practice. In the past, as we failed to formulate rational policies on resource management, taxation, prices, and the distribution of foreign exchange and awards, or to actually carry out the policies, our enterprises could not benefit from conducting comprehensive use, and thus did not have much zeal in doing so. In the future, we should earnestly implement, through structural reform, the principle of "those who have made the investment reap the benefit." An enterprise should enjoy decision-making power over the administration and management of the projects of comprehensive use that it has established with the funds raised by itself. The enterprise is allowed to sell by itself ordinary products of the projects, other than the products which the state forbids any enterprise to sell, including gold, silver, and other precious metals. We should conscientiously implement the state's policy on reducing taxes on, and exempting from taxation, projects of comprehensive use, in order to enable our enterprises to benefit from their projects of comprehensive use and thus give full play to the enterprises' initiative in conducting comprehensive use of resources.

Comprehensive use of raw materials will enable us to find a new way out in enlivening our enterprises. We advocate the idea that our industrial enterprises, in particular large and medium-sized enterprises, should conduct one main undertaking while carrying out diversification, in order to strengthen their vitality. The comprehensive use of raw materials is a major measure to diversify the operation of our enterprises. The leaders of some large and medium-sized enterprises are fettered by their long-standing habit of conducting production in accordance with mandatory plans, are afraid of risks, have no desire to make progress, and are wasting a lot of valuable resources in their residual heat and "three wastes." It seems that in order to develop comprehensive use of raw materials, in addition to adopting policies of encouragement, the leaders of our enterprises must overcome their conservative thinking of focusing on a unitary undertaking and try every possible means to tap the potential in conducting comprehensive use.

In order to develop comprehensive use, we must break the barriers between departments and trades and refrain from acting in isolation. Some large factories directly under central ministries do not use their waste residue or waste gas nor do they allow the local people to sue them. Some units who have the resources demand high prices from the units that use these resources and thus make the use unprofitable. If we do not eliminate this thinking of paying attention to departmental interests, disregarding social economic results, it will be difficult for us to raise the rate of comprehensive use of our resources.

It is necessary to gradually switch from the practice of providing resources free of charge to the practice of making units pay for the resources provided, and thus apply economic means to urge the units that possess the resources to process the resources or transfer them to other units in order to fully realize the appropriate economic results of the resources.

RENMIN RIBAO COMMENTATOR ON SOIL EROSION

HK150835 Beijing RENMIN RIBAO in Chinese 5 Jul 85 p 1

[Commentator's article: "Give Guidance to Work Improving Small Valleys on a Contract Basis So They Will Develop More Healthily"]

[Text] Two years ago this newspaper carried an editorial entitled "New Experience in Harnessing the Huang He by Relying on the Masses," commending the peasant households in Shanxi Province's Xinxian and Luliang Prefectures for bringing small river valley areas under control on a contract basis. Now the experience has been spread widely in seven provinces and regions in the upper and middle reaches of the Huang He. At present, 37 percent of rural families in the Huang He valley are engaged in some kind of control project and an area of nearly 80 million mu is contracted to peasant households under an erosion-prevention scheme. On the loess plateau, the mass drive to bring numerous gullies and ravines under control and to conserve water and soil, in which thousands upon thousands of peasant households are involved is just unfolding; the pace of water and soil conservation is being quickened; and new prospects for the construction of plateau and mountainous areas have emerged.

To carry out the work of improving small river valley areas on a contract system in a thorough and sustained manner, the departments concerned should give it scientific guidance and enthusiastic support and observe new developments and solve new problems as soon as they occur. The present situation in water and soil conservation work is fine. However, it must be noted that cadres and ordinary people in some localities do not have a profound understanding of the importance of water and soil conservation work, and in some places the contradiction between exploitation of natural resources and conservation of water and soil is extremely pronounced. In controlling soil erosion, some localities attached importance to both immediate interests and economic results. This is correct. However, they neglected long-term benefits and ecological effects. This is wrong. In spreading the new experience gained in bringing small river valley areas under control, some localities indulged in formalism, "demanded uniformity in solving different problems," and thus dampened the enthusiasm of the masses; others went in for grandiose projects and concentrated on the ratio of peasant households involved in erosion-prevention schemes, the area of land put under the scheme, and the harnessing rate, thus exceeding the people's capacity to withstand strains. Haste makes waste. Only when these problems in our advance are solved in a proper and down-to-earth manner and in the spirit of seeking truth from facts and only when we do things according to our abilities can the work of improving small river valley areas on a contract basis make progress in the course of consolidation and improvement, and can the work of water and soil conservation be expedited.

To improve the contract system in bringing small river valley areas under control calls for more meticulous work to be done in various areas. Above all, it is necessary to bring the enthusiasm of the masses into full play and to ensure that the policy for those who improve and take care of small river valley areas will benefit therefrom and will not change for a long time and inheritance and transfer of what people planted on the areas are allowed.

According to many years of experience, the systematic management of a river valley should be carried out under an overall scientific plan and on no account must we slacken our efforts to draw up and carry out a unified plan just because the valley has been contracted to peasant households. Exactly the reverse, we must make a comprehensive arrangement for river valley areas, both big and small, and take various rational erosion-prevention measures so that agriculture, forestry and animal husbandry can play their roles and promote what is beneficial to them. After contracting to carry out erosion-prevention schemes, the masses of people urgently need technical guidance and material aid, such as seeds, young plants, machines, and tools. Service work in various fields should be stepped up to meet the demands of the times.

We must rely on the masses in doing a good job in water and soil conservation. Enthusiastic support should be given to the various effective forms created by the masses, such various forms as combination, regional economic cooperation, and the specialized team contract system so that they can constantly be improved. In brief, so long as we respect the creativity of the masses, proceed from actual conditions, pay attention to the use of a variety of harnessing methods, and bring into full play the enthusiasm of hundreds of millions of people, the drive to control soil erosion can be greatly accelerated.

SOCIAL EFFECTS OF SPIRITUAL PRODUCTION VIEWED

HK151019 Beijing JINGJI RIBAO in Chinese 27 Jun 85 p 3

[Article by Yi Changtai and Chen Qiang: "Pay Close Attention to the Social Effect of Spiritual Production"]

[Text] Spiritual production is an important competent part of social production as a whole, and also an important means of building socialist spiritual civilization. With material life being gradually improved, the masses of people will set increasingly high demands on spiritual life. Therefore, vigorously developing socialist spiritual production and attaching great importance to the social effect of spiritual production have become questions of general interest at present.

Socialist economy is planned commodity economy based on public ownership. This is an important prerequisite for developing socialist spiritual products. This prerequisite determines that the production of spiritual products in our country cannot just be large-scale commodity production, nor can the purpose of producing spiritual products be nothing but profit. On the contrary, it must be aimed at meeting the need of the entire people for healthy, rich, and colorful spiritual and cultural lives. The fundamental aim of the production of spiritual products is to strive to build socialist spiritual civilization, so as to promote the building of material civilization. Socialist spiritual producers are undertaking the glorious tasks of fostering the people's lofty moral character and sentiments and enabling the broad masses of working people to have a truly overall and free development, and the historical responsibility of giving people spiritual encouragement to work hard for the prosperity of the country. All those erroneous tendencies like "worshipping money," changing socialist spiritual production into a moneymaking tool of small cliques and individuals, and so on, which go against the fundamental aim of socialist spiritual production, are not allowed by the socialist system. Therefore, socialist spiritual production must and can realize the unity of its social and economic effects.

It should be pointed out that because of the influence of "leftism," over a long period of time we denied that socialist spiritual products still possess commodity attributes, and also denied the role of the law of value in spiritual production. Therefore, we exercised excessive and rigid controls in the sphere of spiritual production, our organizations were overstaffed and underworked, "everybody ate from the same big pot," egalitarianism was rampant, and the intellectuals were permanently underpaid. As a result, spiritual producers lacked initiative, production departments paid heed to neither economic accounting nor costs, and the products fell short of requirements. Because of heavy economic losses, many spiritual production units lived on state subsidies and had very low economic returns. At present, we have confirmed that socialist economy is planned commodity economy based on public ownership, and recognize the role of the law of value in social production. Since most spiritual products are circulated in the form of commodities and through the medium of currency, the law of value should play an equal role in the production of socialist spiritual products, and socialist spiritual production should equally strive for economic returns. In order to increase the economic results of the production of spiritual products, macroscopically, we must reform the present production structure for spiritual products, expand the decisionmaking powers of those units producing spiritual products, and let them gradually carry out independent accounting and assume sole responsibility for their own profits or losses. Microscopically, we must coordinate the relationship between limited spiritual production capacity and growing social need to give priority to the production of various spiritual products necessary to, and urgently needed by, society, make a success of social investigation and forecasting to prevent spiritual production being divorced from social need and to avoid wasting social labor, strengthen economic accounting, and strive to reduce labor costs and raise production efficiency in order to most fully, rationally, and effectively utilize and bring into play existing human and financial resources, so as to accelerate the development of spiritual production and increase the economic results of spiritual production. The key to increasing economic results still lies in bringing into play the initiative and creativity of spiritual producers. Therefore, we must implement the principle of distribution according to work in order to integrate the distribution of consumer goods among individuals with their labor contributions and strict economic accounting with rational operation and management, so as to make the personal interests of the vast numbers of spiritual producers concerned with the production achievements of spiritual production units and to accelerate the development of spiritual production. Only by increasing economic results can we lighten the burden of the state and make spiritual production and reproduction advance smoothly.

However, in socialist society, because the attributes of spiritual products are different from those of material products, spiritual products engender not only economic effects as a result of being sold as commodities, but also social effects, affecting people's spiritual world and guiding social practice. For example, good spiritual products can educate the people and youth to foster communist ideals and inspire them to rise in greater vigor and devote themselves to the prosperity and power of the motherland and the prosperity and happiness of the people, while bad spiritual products will propagate sex and violence, disseminate the decadent ideologies of the bourgeoisie and feudalism, and lure people into being dispirited and degenerate or even to commit crimes. Therefore, while paying attention to the economic effects of spiritual production, we must attach great importance to the question of social effects. The fundamental difference between the spiritual production of socialism and the spiritual production of capitalism lies in the fact that socialist spiritual production cannot aim purely at seeking economic effects, nor become the means for individuals or groups to make money, but instead should regard the social effect of serving the people and socialism as its ultimate and fundamental objective.

Socialist spiritual production must integrate economic effects with social effects and handle well the relationship between them. It can be said that social effect is aim and economic effect is means, and that economic effects must be subordinated to social effects.

Therefore, attention must be paid to the following three aspects: First, while applying economic means to increase economic effects in spiritual production, we should serve the task of ideological and political education undertaken by spiritual production and make spiritual products possess the ideological content of patriotism and communism and strengthen the people's revolutionary will and the spirit of dedicating themselves to the "four modernizations." On no account should we produce things disseminating the decadent ideology of the bourgeoisie and the vestiges of other exploiting classes for the sake of making money. Second, while applying economic means in the production of spiritual products, we should satisfy people's thirst for various kinds of knowledge, free them from stupidity, ignorance, superstition, and backwardness, and raise their scientific and cultural levels. Under no circumstances should we propagate pseudo-scientific and antiscientific things and things belonging to decadent culture merely to make money. Third, while applying economic means in spiritual production, we should satisfy people's needs for proper recreational activities and a healthy spiritual life and cause people to obtain beneficial, healthy, and inspiring encouragement in their spare time. We should not just produce things pandering to a backward mentality and low taste for the sake of making money.

In recent years, the erroneous tendency of purely seeking profit from spiritual products existed in varying degrees in some spiritual production departments. Some spiritual products were manufactured in a rough and slipshod way, regardless of their social effects. Some were even produced to cater to the bad and vulgar mentality of readers and spectators and to disseminate the dross of feudalism and the decadent thinking of the bourgeoisie for the sake of maintaining box-office value or circulation figures. Not long ago, some unhealthy tabloids were circulating in urban streets. These tabloids seriously poisoned the soul of the people, especially the teenagers, and affected their study and work. The reason some people provided these tabloids with paper, promoted sales, cooked up stories for them, and gave the green light to them, all the way from publication to sales, is simply that they wanted to reap staggering profits. If this vulgar mentality of merely seeking monetary "value" goes unchecked, it will result in poverty of ideology and theory, spiritual degeneration, and following an increasingly evil road.

The party Central Committee is extremely concerned at this phenomenon. Not long ago, Comrade Deng Xiaoping seriously pointed out: We must not let our teenagers fall captive to bourgeois ideology, absolutely not. Just as we treat material production, we must guide spiritual production. We should resolutely overcome the tendency of turning spiritual production into large-scale commodity production, unswervingly put the objective of socialist spiritual production and its social effects in the first place, and strive to create a large number of works which can inspire the people, teenagers in particular, to resolve to fight bravely and rejuvenate the motherland, help raise their cultural and moral levels, and satisfy the needs of the masses.

NEW GREAT WALL SECTION OPENS TO TOURISTS IN OCT

OW151116 Beijing XINHUA in English 2052 GMT 15 Jul 85

[Text] Beijing, July 15 (XINHUA) -- Another section of the Great Wall, in Huairou County 60 kilometers northeast of Beijing's central city, will be officially opened to tourists on October 1, Zhang Yongcheng, county head announced today.

The section originally built in about 550 a.d., was rebuilt in the Ming Dynasty (1368-1644). The stone slabs covering the old core each measure more than one meter in length. The brick battlements which open to both sides were designed by a famous Ming Dynasty General Qi Jiguang. The wall here has remained basically intact with little destruction by man for the past 417 years.

The Huairou County government has since March 1983 been repairing a two kilometer-long section with financial support from the central and local governments. Three granite staircases have been built to reach the top of the wall. The shortest of these has 1,133 steps. Two parking lots and rest rooms are now under construction.

The decision to open this new section of the Great Wall was made by the State Council in 1982. It will alleviate the growing pressure on the Badaling section which is visited each year by 1.3 million tourists. At peak times, there are four tourists on every square meter of the Great Wall at Badaling.

MEASURES TO EASE HARBOR CONGESTION ANNOUNCED

OW121523 Beijing XINHUA in English 1510 GMT 12 Jul 85

[Text] Beijing, July 12 (XINHUA) -- The government today announced urgent measures to ease the strain at major harbors, where more than 500 ships are now waiting to load or unload.

Ports officials said at a meeting here that the country's 398 berths -- including 173 capable of handling ships over 10,000 tons -- could not cope with demand. They put the blame on rapidly-increased imports in past months, and a poorly-managed flow of ship calling at ports, leading to sudden surges in demand.

The meeting of the Ports Authority attached to the State Council and State Economic Commission heard that besides the bottleneck at the quayside, warehouses were overloaded with goods waiting to be transported inland. Zhao Weichen, State Economic Commission vice-minister, said the government had decided on a number of measures, including:

-- Asking the Army to provide military ports and warehouses for civilian use for shipments of imports and exports, and to release vehicles and workers to help in transport.

-- Requiring at least 34 ships to leave daily from the big crowded ports of Dalian, Huangpu, Lianuyngang, Qingdao, Shanghai and Tianjin.

-- Diverting 28 vessels from Dalian, Qingdao and Shanghai harbors to small harbors such as Nantong, Weihai, Longkou, Ningbo and Zhangjiangang.

-- Expanding railway transport for goods stocked at harbors.

ANHUI CPPCC STANDING COMMITTEE SESSION ENDS

OW110847 Hefei Anhui Provincial Service in Mandarin 1100 GMT 8 Jul 85

[Text] The 14th session of the Standing Committee of the 5th Anhui Provincial CPPCC Committee lasted 4 days and concluded in Hefei on 6 July.

At the session Chen Tianren, vice chairman of the provincial CPPCC Committee, relayed the guidelines set at the work meeting on the subject of study held by the CPPCC National Committee. Vice Chairman Ding Jizhe and others reported on their inspection trip to Maanshan, Wuhu, and Tongling Cities. Vice Chairman Zhu Nong delivered a report on investigation of the CPPCC work of some cities and counties in southern Anhui. The session also discussed and planned work for the provincial CPPCC Committee for the second half of this year.

The session pointed out: Over the past 6 months or so, the CPPCC committees at all levels in our province have done a lot of work in connection with economic construction and the reforms in various fields and have achieved remarkable results. In the future they should continue to give full play to the CPPCC's strong point of expertise in various specialized fields and offer advice and make contributions to the reform work and economic take-off of our province.

The meeting on 6 July was presided over by Li Qingquan, vice chairman of the provincial CPPCC Committee. Attending the meeting were Vice Chairmen Sun Zongrong, Hong Pei, Zhu Nong, Wang Zenong, Sun Youqiao, Pan Ezhang, Zheng Jiaqi, Chen Tianren, Lai Shaoqi, Ding Jizhe, and Guang Renhong, as well as Secretary General of the provincial CPPCC Committee Zhang Binglun. Responsible comrades of the CPPCC committees of cities directly under provincial jurisdiction also attended the meeting as observers.

JIANGSU'S GU XIULIAN ON OPENING ECONOMIC ZONES

OW150035 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 11 Jul 85

[Text] At the Jiangsu Provincial People's Government's meeting on the work of opening to the outside world, which ended today, Governor Gu Xiulian pointed out: Opening the economic zones of Suzhou, Wuxi, and Changzhou Cities should, in carrying out their first year's work, focus on promoting exports and earning more foreign exchange. They should use these as a starting point for expanding foreign markets and promoting work in other areas.

She said: We should have a clear understanding of the strategic importance of doing a good job in developing economic zones. We should work hard to gradually build Suzhou, Wuxi, and Changzhou Cities into important foreign trade bases, showcases of our work on foreign economic relations, and civilized and rich areas.

This is not only a demand by the CPC Central Committee, but also an arduous responsibility Jiangsu should shoulder. In working to open to the outside world, Suzhou, Wuxi, and Changzhou should practice the spirit of self-reliance, and strive to promote exports, earn more foreign exchange, and use this as a starting point for carrying out initial work. For this reason, it is necessary to gradually form a trade-industry-agricultural production structure, giving priority to the technological transformation work of the light textile and food processing industries, and the importation of new technologies for these industries, so that more of our products can enter international markets. While importing new technologies, we should establish good internal economic relations. Only by establishing such relations with other localities can we truly give play to the role of showcase for these opening economic zones, and build them into civilized and rich areas.

JIANGXI PREFECTURES, CITIES SUPPORT PLA REFORM

OW130231 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 10 Jul 85

[Excerpts] Leading comrades of all prefectural and city party committees recently attended an enlarged plenary meeting of the party committee of the Jiangxi Military District. They said that it is a political task of local organizations to assist the PLA in structural reform and reduction-in-strength reorganization, and it is necessary to carry out the task seriously and resolutely.

(Huang Mingting), secretary of the Ganzhou Prefectural CPC Committee, (Ye Xueli), secretary of the Yichun Prefectural CPC Committee, and other comrades said: At present, the CPC Central Committee and the Central Military Commission have decided to restructure the Army and reduce its present strength, so that more funds can be spent on economic construction. This is an important measure to speed up the modernization of our national defense, as well as a wise decision to accelerate the four modernizations as a whole. Local organizations should follow the example of PLA units in taking the interest of the whole into consideration. Local organizations should learn from the PLA's good style in adhering to principle and obeying order and share this glorious task with the PLA units.

Leading comrades of Nanchang City and Shangrao and Yichun Prefectures said: At present, some of the Army cadres transferred to civilian work in our province have become deputy commissioners, county heads, and enterprise reformists who are well-known throughout the country. We welcome them to take part in the four modernizations in various localities.

Comrade (Jiang Guozhen), mayor of Jiujiang City, pointed out: It is necessary to further improve our working method in order to better resettle the Army cadres transferred to civilian work.

At the meeting, the participants unanimously said: It is necessary to carry forward the fine tradition of the party in charge of the Armed Forces, and as always, to do a good militia and reserve work. It is necessary to provide good leadership and ensure the successful completion of such construction projects as militia arsenals and militia training bases.

They assured the comrades of the People's Armed Forces departments that no matter how the structural reform is carried out, local party committees and people's governments will surely support and show concern for the Armed Forces and will take action to augment defense capability, just as they did in the past.

SHANGHAI'S RUI XINGWEN ATTENDS EDUCATION MEETING

OW130039 Shanghai City Service in Mandarin 0100 GMT 11 Jul 85

[Text] The Shanghai Municipal CPC Committee and the Shanghai Municipal Government cosponsored a meeting yesterday to discuss the implementation of the guidelines set out by the national educational conference, and urged organizations at all levels to attend to, care for, and support education, and to evaluate the performance of all units on the basis on their achievements in training competent personnel and developing intellectual resources.

Secretary Rui Xingwen and Deputy Secretaries Huang Ju and Wu Bangguo of the Shanghai Municipal CPC Committee; along with Chen Guodong, Hu Lijiao, Wang Daohan, and other leading comrades, attended the meeting.

Speaking on Shanghai's educational development, and how to implement the CPC Central Committee's decision on restructuring the educational system, Wu Bangguo said: Shanghai's advantageous position, in terms of competent personnel and technology, is weakening. There is a shortage of competent personnel in all fields. The workers' technical proficiency is low, and the shortage of specialists, especially senior ones, is serious. The administrative personnel's educational level is also low. Currently, there is a big gap in the supply of competent personnel between the ages of 25 and 35. If this problem is not promptly resolved, Shanghai's economic development during the next decade will face a grim shortage of proficient personnel.

Wang Bangguo continued: Two meetings on ordinary and higher education will be held during the second half of 1985 to discuss the planning of educational development during the Seventh 5-year Plan, and to draw up a specific plan for reforming the administrative system. Using the principle of streamlining administration and delegating more authority to lower departments, schools of higher education will be given greater decision-making authority. Schools offering basic education will be administered in accordance with their grades. A system, under which the principals are in charge of school administration, will gradually be instituted in schools at all levels. The municipal government has already approved the allocation of 3.5 million yuan for the construction of the Shanghai Education Hall, and has also instructed various departments concerned to speed up construction of teachers' apartments. Construction of several new villages for (?educators) is also being considered. Comrades Rui Xingwen and Wang Daohan also addressed the meeting.

SHANGHAI MAYOR SPEAKS ON ECONOMIC DEVELOPMENT

OW062356 Shanghai City Service in Mandarin 0100 GMT 4 Jul 85

[Text] On the afternoon of 3 July, Shanghai Mayor Wang Daohan delivered a report, entitled "Some Questions of Understanding Concerning the Study of the Strategy of Shanghai's Economic Development," to all members of the "Transforming and Developing Shanghai" lecture group. Shanghai began launching activities of studying and publicizing the strategy of Shanghai's economic development in mid-June. Comrade Wang Daohan is the head of the lecture group.

In his report, Mayor Wang touched on Shanghai's position and role and the question of the orientation of its development. He pointed out: In publicizing the strategy of Shanghai's economic development, we must act in line with the guidelines of the 3d Plenary Session of the 12th CPC Central Committee and integrate publicity with the present situation so that thousands upon thousands of people may understand this strategy through study.

After making the report, Comrade Wang Daohan talked cheerfully and humorously and answered various questions raised by members of the lecture group. Principal leading cadres and Propaganda Department heads of Shanghai Municipality's departments, committees, and offices; and districts, counties, and bureaus also listened to the report.

Accepts Teaching Post

OW050507 Shanghai City Service in Mandarin 0100 GMT 30 Jun 85

[Text] Mayor Wang Daohan was invited by Tongji University to attend a discussion with experts of relevant fields concerning development plans for the municipality and the Shanghai economic zone. He accepted, with pleasure, a certificate as special guest professor of the university from its President Emeritus Li Guohao and President (Jiang Jingbo).

GUANGDONG MEETING ON SECOND-STAGE RECTIFICATION

HK150831 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 15 Jul 85

[Text] According to NANFANG RIBAO, a conference convened by the Guangdong Provincial CPC Committee on second-stage party rectification at county level, attended by all county CPC Committee and Discipline Inspection Commission secretaries, focused on strengthening party spirit and straightening out new unhealthy trends. The meeting greatly enhanced the ideological awareness of the participants, unified their understanding, and laid the foundation for making a success of rectification at county level.

The meeting lasted from 20 June to 9 July. Lin Ruo and Wang Ning, responsible comrades of the provincial CPC Committee and the committee's guidance group for party rectification, presided. The meeting studied the party rectification documents and got a clear idea on the necessity, importance, and urgency of party rectification, and on the four basic tasks of rectification and the principles and methods for accomplishing them. The meeting also negated the Great Cultural Revolution and discussed weeding out and investigating people of three categories. In the last 10 days of the meeting, the participants conducted study focusing on strengthening party spirit and correcting new unhealthy trends.

Comrade Lin Ruo delivered an enlightening speech on these topics. He analyzed the various expressions of unhealthy trends, including those in the economic and spiritual fields. He stressed: Although these are side issues, we certainly cannot take them lightly.

Comrade Lin Ruo guided the comrades to apply the method of integrating theory with practice to straighten out their thinking, distinguish between right and wrong, strengthen party spirit, and summon up the greatest resolve to correct the new unhealthy trends by conducting this rectification, so as to ensure the smooth progress of reform and a good job in building the two civilizations.

The participants then set out the facts of the expressions of the new unhealthy trends in their own counties, and examined the harm done by them. They applied the method of self-education and mutual education and analyzed various muddled and specious viewpoints on the basis of analyzing the serious harm done by the new unhealthy trends.

Before its conclusion, the meeting spent 3 days in making specific arrangements for county-level party rectification. Comrade Lin Ruo delivered a summation speech.

GUANGZHOU PLA HOLDS MEETING ON REORGANIZATION

HK130557 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 13 Jul 85

[Text] According to GUANGZHOU RIBAO, the Guangzhou Military Subdistrict recently held an enlarged meeting of its CPC Committee to convey and study the spirit of the enlarged meeting of the Central Military Commission. The CPC Committee decided that cadres at all levels should take the lead in four respects during the streamlining and reorganization of the Armed Forces:

1. In strengthening the concept of party spirit, subordinating themselves to the overall situation, and resolutely supporting and obeying the strategic policy decision of the CPC Central Committee and the Central Military Commission.

2. In obeying the decisions of the organization, carrying out orders, and submitting to the party's arrangements in either remaining in or leaving the Army.
3. In staying firm at their posts, exercising their responsibilities, ensuring that the standard of work is not lowered during streamlining and reorganization, and completing all work with high quality.
4. In observing discipline and law, resolutely refraining from unhealthy trends, and adopting the best mental outlook in ensuring the completion of streamlining and reorganization.

Xu Shijie, secretary of the Guangzhou City CPC Committee and first political commissar of the military subdistrict, attended the meeting and spoke. He expressed the hope that the military subdistrict leaders at all levels would discard all worries, subordinate themselves to the overall situation, obey orders, stay firm at their posts, work hard, and bring their thinking into line with the policy decision of the CPC Central Committee and the Central Military Commission.

SHENZHEN REPORTS GOOD ECONOMIC PERFORMANCE

HK150833 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 15 Jul 85

[Text] Economic construction in Shenzhen City continued to develop in a coordinated way in the first half of the year. Total industrial output from January to June was nearly 1.3 billion yuan, nearly double the figure for the same period last year. Financial revenue showed a rise of 100 percent. Total social retail sales exceeded 10 billion yuan, a rise of 25 percent over the same period last year. Under the premise of ensuring key projects, the city has completed over 1 billion yuan in capital construction investment.

Despite the fact that Shenzhen City has set rather high demands this year on imported projects and has been rather selective toward them, total investment in Sino-foreign joint ventures and projects wholly owned by foreign businessmen on which agreement was reached in the first half of the year reached \$130 million. These relatively advanced projects include a plant producing 1.3 million color television sets a year, a glass factory, the (Yantian) shallow-water wharf, an oil refinery, and a tobacco company, which are backbone projects and outward-facing enterprises.

There are three main reasons for the continued coordinated development of Shenzhen City's economic construction in the first half of the year:

1. The departments concerned have coordinated the various types of enterprises in readjusting their product mix in view of the requirements of the domestic and foreign markets, especially the international market, and have organized the processing of agricultural and sideline products. Under conditions of credit controls, priority has been given to supporting enterprises that produce quick results for little investment and bring in a lot of foreign exchange income.
2. The imported enterprises of all categories already in operation, especially technology-intensive and knowledge-intensive backbone enterprises, have continued to yield excellent economic results this year. There has been an increase in the number of enterprises operating at a profit, compared with last year.
3. Enterprises linked to the interior have developed rapidly this year. These enterprises, which use the Shenzhen special zone as their window and take advantage of the superior technology and resources of the interior, have operated very well.

HUNAN HOLDS CONFERENCE ON REORGANIZING PLA

HK140626 Changsha Hunan Provincial Service in Mandarin 2300 GMT 11 Jul 85

[Text] Yesterday morning, the provincial CPC Committee held a meeting of party-member cadres at and above the deputy department and bureau head level of provincial organs. Jiang Jinliu, Standing Committee member of the provincial CPC Committee and commander of the provincial military district, relayed recent important speeches delivered by central leading comrades on streamlining and reorganizing the Army. Liu Fusheng, deputy secretary of the provincial CPC Committee, presided over the meeting and delivered a speech.

He said: Reforming the Army system, streamlining and reorganizing the PLA, and reducing the PLA by 1 million people are important policy decisions made by the CPC Central Committee and its Military Commission, based on overall situation of economic construction, the status quo of the PLA, and the requirements on army building. CPC committees and governments at all levels must do their best to properly fulfill the task resettling demobilized PLA cadres with a high sense of political responsibility. It is necessary to actively help solve problems arising in resettling demobilized PLA cadres and staff and in streamlining and reorganizing the PLA, to assist the Army in protecting well all properties, so as to ensure smooth progress of the streamlining and reorganization.

Liu Fusheng stressed that it is necessary to further strengthen the building of reserve divisions and the people's militia, extensively carry out activities to support the Army and cherish the people, soldiers, and civilians jointly building civilized units, and to make new contributions to the modernization of the Army.

HUNAN AGRICULTURAL BANK LOWERS INTEREST RATE

HK120825 Changsha Hunan Provincial Service in Mandarin 1100 GMT 8 Jul 85

[Text] On 2 July, the provincial agricultural bank issued a circular to the agricultural bank issued a circular to the agricultural banks and credit cooperatives in all prefectures, cities, and counties, demanding that the interest rate on loans issued by rural credit cooperatives be quickly readjusted and that the unhealthy trend of indiscriminately raising the interest rate be resolutely curbed. Since the beginning of this year, some credit cooperatives in our province have violated the provisions of policies and have raised interest rates regardless of the categories of loans, of who the borrowers are, and of what use these loans are put to. The highest monthly interest rate has reached 15 percent and the lowest has reached 1 percent. Some individual credit cooperatives even raised the monthly interest rate on loans that peasants used to buy chemical fertilizers, agricultural chemicals, seeds, and other means of agricultural production.

With a view to curbing this practice that harms the peasants, the provincial agricultural bank has decided that the monthly interest rate on the loans must be 0.6 percent to 0.96 percent in accordance with the basic interest rate stipulated by the general bank of the agricultural bank and that the monthly interest rate on loans that households in difficulties use to buy grain ration, must be 0.66 percent as unanimously decided and must not be raised. The provincial agricultural bank has also laid down an express limit on the loans for agricultural collectives to develop the cooperative economy and for peasant households to develop agricultural and commodity production, the loans that township and town enterprises use as their floating capital, and the loans that individuals use to buy high-grade consumer goods and building materials.

CYL'S HU JINTAO BECOMES GUIZHOU PARTY SECRETARY

OW151705 Beijing XINHUA Domestic Service in Chinese 1457 GMT 15 Jul 85

[Text] Guiyang, 15 Jul (XINHUA) -- A new leading body of the Guizhou Provincial CPC Committee has been formed with approval of the CPC Central Committee. Hu Jintao [5170 6930 3447] is the secretary of the provincial CPC Committee, and Wang Chaowen [3769 2600 2429] (Miao nationality) and Ding Tingmo [0002 1694 2875] are deputy secretaries.

GUIZHOU INDUSTRY, COMMUNICATIONS DEVELOPING

HK160611 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 12 Jul 85

[Excerpts] In our province in the first half of this year industrial production and communications developed in a balanced and coordinated way. Industrial output was 22.9 percent higher than in the same period last year. Light and heavy industries developed more and more in a coordinated way. Light industrial output was 28.9 percent higher than in the same period last year while heavy industrial output recorded an increase of 19.8 percent. This insured that the increase in light industrial output was greater than that in heavy industrial output.

In the first half of this year, the increase in marketable and high quality products and name brands was also greater than in the past. Output of cigarettes, radio-records, television sets, and drinks was respectively some 37 percent more than in the corresponding period last year. Of the 85 main products investigated by the provincial Economic Committee, output of 60 products, including cotton yarn, cotton cloth, woolen yarn, batteries, silk fabrics, polyester fabrics, and garments, was more than in the same period last year. The gross output of state-run enterprises within the budget was over 1.411 billion yuan, an increase of 23.2 percent over the same period last year. Their taxes and profits were some 432 million yuan, an increase of 47.7 percent over the corresponding period last year. Due to the fact that the system of tax collection was reformed, policies on tax collection were readjusted, and at the same time, the work of reducing deficits and increasing surpluses of enterprises was firmly grasped, our province's revenue was 46.9 percent greater than in the same period last year. Thus, this insured that revenue, the output value, taxes, and profits simultaneously increased.

Through reform, communications and transport enterprises increased their transport capacity and freight volume. They transported over 7,724,000 tons of goods in the first half of this year and fulfilled 49.8 percent of the quota for the year. Goods transported were 2.7 percent more than in the corresponding period last year. Railroad transport was a record high. The Guiyang South Station, which is one of the important stations, transported some 480,000 tons of goods in the first half of this year and fulfilled 64 percent of the quota for the year.

SICHUAN REPORTS RURAL CONTRACT CADRE SUCCESSES

HK160533 Chengdu Sichuan Provincial Service in Mandarin 1030 GMT 11 Jul 85

[Text] Since our province implemented the system of advertising for township and town cadres on contract basis in 1983, it has employed as grass-roots cadres over 21,000 outstanding youths in rural areas whose political quality is good and whose age is in the neighborhood of 25.

The great majority of these cadres employed have the cultural level of senior middle school. They have worked vigorously and are determined to carry out reform. Many of them have become rural grass-roots backbone elements and have played an active part in invigorating the rural economy and strengthening the building of the grass-roots political power.

Radio Commentary

HK160603 Chengdu Sichuan Provincial Service in Mandarin 1030 GMT 11 Jul 85

[Station commentator's article: "Adhere to the System of Advertising for Township and Town Cadres and Vigorously Develop Rural Outstanding Qualified Personnel"]

[Text] The Organization Department of the provincial CPC Committee has recently investigated the province's situation in advertising for township and town cadres. Since our province implemented the system of advertising for township and town cadres on a contract basis, it has employed over 21,000 township and town cadres. A way to select cadres from among outstanding qualified personnel in rural areas has been opened up. This is an important reform of the cadre system and a basic measure to speed up the goal of making the ranks of township and town cadres more revolutionary, younger, better educated, and professionally more competent.

Reform of the township and town cadre system is a trend of the times in the modernization of agriculture and is an objective requirement in reform of the rural economic structure. Since the 3d Plenary Session of the 11th CPC Central Committee, the rural areas in our province have undergone a great historical change. The comprehensive implementation of the system of contracted responsibility with remuneration linked to output and the penetrating development of the reform of the rural economic structure have set increasingly high demands on the township and town cadres who fight hard at the basic levels in the rural areas and have disclosed certain defects that exist in the cadre system.

Over a long period of time, the lifelong tenure system and the iron rice bowl produced the results whereby township and town cadres are generally slightly older, their cultural level is slightly lower, they can be appointed but not discharged, and they can be promoted but not demoted. This situation affects the progress of rural modernization. It is therefore imperative to carry out reform of the rural cadres system and the system of advertising for township and town cadres on a contract basis has emerged at the required time.

Practice has proved over the past 2 years that the implementation of the system of advertising for township and town cadres on a contract basis is a new way to open all avenues to people of talent, a new road full of vitality, and an important aspect of the reform of the cadre system. It is useful in providing sources of township and town cadres; breaks with the long-standing lifelong tenure system and the iron rice bowl; is beneficial to the change of the structure of township and town cadres, and to the improvement of their quality; and is advantageous to achieving the goal of making members of the township and town leadership groups more revolutionary, younger, better educated, and professionally more competent, to strengthening the building of basic-level political power, and to the elimination of the past unhealthy trends of making a mystery of selecting cadres, taking the mode of small-scale production, establishing a relationship with somebody, and securing advantages through pull or influence.

Thus, the relationship between the cadres and the masses is kept close and the systems of advertising for township and town cadres on a contract basis is welcomed by the masses.

The implementation of the system of advertising for township and town cadres on a contract basis is a new thing emerging in the course of invigorating [words indistinct]. Some problems still unavoidably exist. We are required to work hard to study and solve them, to open up a new path, and to advance. At present, some comrades do not sufficiently understand the importance of the system of advertising for township and town cadres and hold that the system of advertising for cadres is irregular and will not last long. A small number of cadres getting employment through the advertisements have the concept of temporary employment, are not sufficiently reassured, and have not worked boldly enough.

Therefore, to adhere to the system of advertising for township and town cadres, it is first necessary to vigorously publicize the significance of this reform, to remove all ideological obstacles, and to persist in this reform. Party organizations at all levels must strengthen leadership over the work of advertising for cadres, must show warm concern for the development of the system of advertising for cadres, and must really resolve their practical difficulties in their work and livelihood so as to allow a promising younger generation to grow up strong.

It is essential to constantly study the new situation in advertising for township and town cadres, to sum up new experiences, and to solve new problems so as to make the work of advertising for township and town cadres become more systematic.

We believe that so long as we adhere to the system of advertising for township and town cadres and constantly perfect this system, we can surely vigorously develop outstanding qualified personnel in rural areas and can make important contributions toward realizing the goals of making the ranks of rural grass-roots cadres more revolutionary, younger, better educated, and professionally more competent, enriching the people in our province, improving the province's economic position more quickly.

XIZANG'S YIN FATANG ON REORGANIZING ARMY

HK151426 Lhasa Xizang Regional Service in Mandarin 1130 GMT 15 Jul 85

[Text] On the morning of 13 July, Yin Fatang, former [yuan] first political commissar of the Xizang Military District, met all the comrades attending a work conference of the military district, and encouraged them to continuously carry forward the glorious traditions of the PLA, to establish the idea of treating border areas as their homes and building Xizang for a long time, to adopt a correct attitude toward streamlining and reorganizing the Army, and to make new contributions to the motherland and Xizang.

Comrade Yin Fatang said: The troops in the region, which are an Army with a glorious tradition, have made great contributions in building border areas and defending Xizang. Now the troops are going to be streamlined and reorganized. I hope that you will continue to carry forward the glorious tradition of our Army, learn from the officers and soldiers of the Frontier Guards in the Faka and Zeying mountains their spirit of selfless and sacrifice, ensure the smooth progress of streamlining and reorganizing the Army, and scale new heights in all work.

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Comrade Yin Fatang pointed out: Streamlining and reorganizing the Army is an important issue for our party and Army at present. We Communist Party members should put the overall situation first. In particular, party-member leading cadres should set an example in taking the overall situation into account and serving the overall situation. In addition, we must inherit and carry forward the glorious tradition of our Army in support of the government and cherishing the people, further strengthen the unity between the Army and the government, between the Army and the people, and between nationalities, and make a greater contributions to building and defending the new socialist Xizang.

BELJING ARMY CADRES READYING FOR CIVILIAN JOBS

OW160233 Beijing Domestic Service in Mandarin 0200 GMT 12 Jul 85

[Text] Taking the overall interests into consideration, the 14,000 cadres of the Beijing Military Region being transferred to civilian jobs have vowed to comply fully with the arrangements made by the party. In the near future, they will assume various work posts as needed in the construction of the motherland.

(Duan Bingyan), an engineer of a unit of the military region, has been listed by the organization as one of the cadres to be transferred to a civilian job. After learning this, he was not concerned about the location or nature of his future job; he will fully comply with the assignment made by the organization. Until his departure, he will continue to do his utmost to contribute all he can to his unit. He is leading his technical innovation group in working day and night.

Some comrades who have a poor educational background or who lack special technical knowledge and skills have attended science and cultural schools or specialized technical training classes. They are determined to learn technical knowledge and skills in one or several specialized fields so that they will be able to serve the needs of the four modernizations.

Seventy-one cadres of a certain division scheduled to be transferred to civilian jobs have gone to an industrial school to engage in specialized theoretical study, such as production organization, technology economics, and industrial economic management. They have also gone to nearby factories to receive practical training. Owing to their painstaking study, they have quickly gained knowledge in economic management and learned production skills. During practical training, they even helped a factory solve a difficult problem of overconsumption of coal in the smelting process. Satisfied with this achievement, the factory director happily said, if cadres like them are transferred to factories, we welcome them.

ZHOU HUI SPEAKS ON NEI MONGGOL ECONOMIC PROGRESS

SK160321 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 14 Jul 85

[Summary] Prior to the convocation of the regional commendation rally on urban economic reform, Zhou Hui, secretary of the regional CPC Committee told reporters that the region achieved new progress in urban reform and economic work in the first half of the this year. He said: The industrial, communications, financial, and trade sectors saw an upward trend of development. He called on the various localities and departments to grasp urban reform and economic work in the second half of the year, and to enable all spheres of work to advance in a down-to-earth manner on the basis of the achievements in the first half of this year.

Comrade Zhou Hui said: Since the fourth regional CPC Congress, we have conscientiously implemented the decision of the CPC Central Committee on the reform of the economic structure, reviewed and summed up past experiences, drawn on the experiences of rural and pastoral areas in instituting the contract system, effectively promoted urban reform, and achieved new progress in regional economic work. He said: This year industrial and communications production has steadily increased and 12 leagues and cities have all basically increased their output, tax revenue, and financial revenue.

In the first half of this year the total industrial output was 50 percent of the annual plan, showing a great increase over the corresponding period last year. The region's financial revenue was more than 50 percent of the annual budget.

Comrade Zhou Hui said: Practice has shown that the principles of the regional CPC Committee and government for guiding urban reform and the various spheres of work in the first half of this year are correct. Urban reform has been soundly developed. The key issue at present is to strengthen our confidence in reform, to fully understand the complexity of reform, to sum up every step of achievements, and to advance steadily.

Comrade Zhou Hui said: The entire reform of the economic structure with a focus on the reform of the urban economy is comprehensive work. Therefore, the people of the higher and the lower levels should participate in the work and cooperate with each other. He called on the planning, financial, labor, and personnel affairs departments to take the lead in this work and to create conditions for all trades and professions in reform.

SHANXI'S LULIANG PREFECTURE SUPPORTS PLA REFORM

OW140518 Beijing XINHUA Domestic Service in Chinese 1206 GMT 11 Jul 85

[By reporter Ye Xulin and correspondent Cheng Zhang]

[Excerpt] Taiyuan, 11 Jul (XINHUA) -- Shanghai Province's Luliang Prefecture, which has always had the glorious tradition of supporting the Army, has recently done six things well for the Army as a concrete action to support the Army in doing a good job in the reduction-in-strength reorganization.

The six things which the leading organization of Luliang Prefecture demanded to be done for the Army were:

1. Vigorously publicize the circular of the CPC Central Committee, the State Council, and the Central Military Commission, and the guidelines of the Military Commission's enlarged meeting; and educate cadres at all levels and the masses to correctly treat the Army's structural reform and reduction-in-strength reorganization and to consciously assist the Army in doing the work well. Party committees and governments at all levels should organize their personnel to pay visits and give comfort to the Army units stationed in their localities. Each "Group for Helping the Comrade-in-Arms" should write a letter to comrades-in-arms in the Army, publicizing the fine situation in their hometowns and urging them to correctly treat the reduction-in-strength reorganization.
2. Further reinforce the leading organizations of the prefecture's Army Cadre Transfer Office and such offices of the various counties; and do a good, positive preparatory work for receiving Army cadres under transfer. Party committees and governments at all levels should take a positive and responsible attitude and map out plans as soon as possible on the arrangement of work, houses, children's schooling, and other problems for the Army cadres under transfer, as well as for their families. In providing timber, bicycles, and other commodities in short supply, priority should be given to cadres under transfer.
3. Visit the Army units stationed in the localities and positively help them remove anxieties and solve difficulties. Public security departments and militia organizations at all levels should voluntarily assist the Army in protecting military property and facilities.

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4. Do a good job in receiving and resettling resigned and retired Army cadres; speed up the construction of houses; and give priority in providing necessary materials for such construction.
5. Do a good job in resettling and employing Army-locality, dual-purpose personnel.
6. First political commissars of the Armed Forces departments of the various counties should each call and preside over an enlarged meeting of the Armed Forces department party committee. Do a good job in ideological education work to ensure that cadres and fighters do not relax ideology and discipline and that they resolutely follow the decisions of their organizations.

CONFERENCE ON LAW, EDUCATION HELD IN TIANJIN

SK140501 Tianjin City Service in Mandarin 0030 GMT 14 Jul 85

[Excerpts] The municipal conference on law propaganda and education ended yesterday at the Cadres Club. The conference relayed the guidelines of the national conference on law propaganda and education, discussed a 5-year plan for disseminating legal knowledge in the municipality, summed up achievements, and worked out plans for the municipal law propaganda and education work.

During the conference, Minister of Justice Zou Yu made a special trip to Tianjin to deliver a report on law propaganda and education. Responsible comrades of the municipal CPC Committee, the municipal People's Congress Standing Committee, and the municipal government including Zhang Zaiwang, Wu Zhen, Bai Hua, Xiao Yuan, Chen Yiyi, and Shi Jian attended the conference.

Comrade Wu Zhen gave a speech and Comrade Xiao Yuan delivered a report at the conference. Comrade Xiao Yuan pointed out: Popularizing general legal knowledge among citizens is a major event in the history of China in building the legal system as well as a major event in the political life of the people of the municipality. The key to making this work successful lies in the understanding of leaders -- whether they are unified in thinking. Leaders at all levels should again study the relevant directives of the central authorities defined since the 3d Plenary Session of the 11th CPC Central Committee and further clarify that it is hard for the state to enjoy prolonged tranquility and stability without improving the legal system and systematizing and legalizing socialist democracy.

He called on all units to work immediately and to prefulfill the municipal task of basically popularizing general law knowledge among all citizens in 3 to 4 years. This work involves the efforts of all localities, all fronts, and all spheres as well as all families. CPC committees at all levels should strengthen leadership and include the law propaganda and education work on their agenda. All departments should exert concerted efforts and carry out their work practically. All Communist Party and CYL members, and cadres in charge of political and legal work, particularly leading party and government cadres, should serve as models in observing the law and discipline, take the lead in studying and observing the law, and enforcing the law justly, and play an active part in strengthening the building of spiritual civilization.

The conference lasted 3 days. Responsible comrades of the relevant departments, commissions, offices of the municipal CPC Committee, the Trade Federation, the CYL Committee, the Women's Federation, as well as the various districts, counties, and bureaus -- a total of 400 persons -- attended the conference.

HEILONGJIANG RECTIFICATION COMMISSION MEETS

SK140428 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 11 Jul 85

[Text] From 9 to 11 July, the Party Rectification Guidance Commission under the provincial CPC Committee held a meeting of directors of party rectification offices under various prefectural and city CPC committees to discuss the work on organizational measures and registration of party members for the second group of party rectification units.

The meeting pointed out: The great majority of the party rectification units at the prefectural and city levels in the province will enter the phase of organizational measures and registration of party members one after another. To ensure that the work in this phase will proceed with high standards and high quality, all such units must meet the following requirements:

They must have made some breakthroughs in conducting education on party spirit, done a good job in making comparisons and examinations, and effected a marked improvement in the political quality of party members. They must have found out the major problems of party organizations and party members of their own departments, corrected the mistakes that should and can be corrected, and, in particular, investigated and dealt with the major and appalling cases. They must have clearly understood which party members should be given organizational measures, whose registration should be postponed, and who should not be allowed to register for party membership. They must have made remarkable progress in the reform, production, and other professional work of their own units.

Those units that have failed to meet these requirements should not be allowed to enter the phase of organizational measures and registration of party members. As for those units that have been allowed to enter this phase, organizational measures should be taken before allowing party members to register for party membership. In taking organizational measures toward party members, we must be serious and conscientious, seek truth from facts, and avoid being lenient. We should neither act perfunctorily against the mistakes committed by party members, nor treat these mistakes in an exaggerated manner. We should treat the mistakes committed by party members in accordance with policies and with the stipulations of the party Constitution, and strive to attain the goal of thrashing out the facts, finding out conclusive evidence, giving proper punishment, and avoiding perfunctoriness.

The meeting demanded: We should regard the registration of party members as a central phase for conducting the education on party spirit. By no means should we have such an idea that we have finished our work as soon as we have completed the procedures for registration. In the course of registration, party members should be encouraged to conduct discussions, criticism and self-criticism. Before the examination and approval of CPC committees, CPC committees and party branches should hold heart-to-heart talks with all party members in order to achieve success in ideological work.

HEILONGJIANG HOLDS MEETING ON IDEOPOLITICAL WORK

SK130141 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 11 Jul 85

[Text] Under the new situation of carrying out the economic structure reform and opening to the outside world, how should we conduct the education on ideals and discipline in order to attain good results, and how should we improve the content and methods of ideological and political work in order to make the work easily accepted by the masses?

The 6-day meeting of secretaries general of the Chinese Society for the Study of Workers' Ideological and Political Work Among Workers and Staff Members, which concluded on 9 July in Daqing City, conducted penetrating discussions on these questions.

The meeting's participants maintained: The education on ideals and discipline being conducted in various localities is just at an early stage and has not been thoroughly popularized. A major task of the society for the study of ideological and political work is to study the theories in this regard, sum up practical experiences, and promote the intensive development of the education on ideals and discipline.

The meeting maintained: In conducting education on ideals and discipline, we must first combine the long-range goals with the immediate goals and combine the long-range goals with the immediate goals and combine the lofty ideals with the spirit of dealing with concrete work. Second, we must combine the education on ideals and discipline with the education on the current situation and the reform. In addition, to attain good results in conducting the education on ideals and discipline, we must also conduct education in various forms, at various levels, and at various places.

HEILONGJIANG GOVERNOR DISCUSSES GRAIN ISSUES

SK140449 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 12 Jul 85

[Text] HEILONGJIANG RIBAO in 13 July gives front page coverage to Governor Hou Jie's talk with a reporter, under the headline: "It Is Necessary to Correctly Understand the Grain Issues."

Hou Jie said: At present we must clearly understand whether or not our province has excessive grain. In 1983, our province's total grain output exceeded 30 billion jin for the first time. Last year's output was estimated at 35 billion jin. Compared with past figures, the grain output increased indeed. However, in actuality such an increase was only a relative, medium-level increase. I have grounds for saying this.

First, our province is one of the state's important marketable grain bases, and our grain production is not just for self-sufficiency. We have to deliver a considerable amount of grain to the state. Second, our province has a population of some 33 million. If calculated on the basis of an output of 35 billion jin, the average per-capita grain distribution is just a little more than 1,000 jin. Compared with some agriculturally advanced countries, such a figure is too low. However, grain still occupies an important place in our diet. Therefore, our existing amount of grain, after delivering a portion to the state, must be just enough to feed the people and with a small surplus. Third, our province's present level of development in animal husbandry is very low. Grain consumption will greatly increase in order to make up for the poor development in animal husbandry and to change the diet of the people. Fourth, our capabilities to combat natural disasters are not strong. Every year we have to store a certain amount of grain to prepare against natural disasters in certain localities.

Calculated on the basis of our province's total grain output of 35 billion jin last year, if we suffer a grain reduction of 10 percent, it will be impossible for us to deliver much marketable grain to the state. If we suffer a grain reduction of 20 percent, grain will be in short supply in the urban and rural areas. If we suffer a grain reduction of 30 percent, we have to ask for grain from the state.

As for some localities where the people find it hard to sell their grain, Hou Jie said: There are many factors, including some problems in procurement. To this end, leaders at all levels should be sober-minded. Anyone who treats the grain issues lightly is making a big mistake.

While touching on the state's decision of changing unified grain purchase to contract purchase, Hou Jie said: This is an important reform in the grain purchase policy. It is aimed at guiding the peasants to shift the past practice of carrying out farming blindly and paying no attention to grain varieties and quality to the practice of arranging for production to cater to social needs and market demands.

In referring to readjusting the agricultural structure, Hou Jie said: The idea that we must increase grain production after readjusting the agricultural structure is wrong and harmful. However, the development of diversified undertakings, township enterprises, and tertiary industry should serve to raise the per unit area yield of grain and to increase grain output steadily and continuously.

LI DEMING REPORTS TO JILIN DISCIPLINE COMMISSION

SK131056 Changchun Jilin Provincial Service in Mandarin 1030 GMT 12 Jul 85

[Text] On 11 July, the provincial Discipline Inspection Commission held a meeting of leading party-member cadres from provincial-level organs to relay and implement the spirit of the national experience exchange meeting on consolidating party style. The meeting urged all units under provincial-level organs to set examples for others throughout the province in upholding the principle of building the two civilizations simultaneously, strengthening education on party spirit, straightening out party style, and in correcting newly emerged malpractices.

At the meeting Comrade (Li Deming), secretary of the provincial Discipline Inspection Commission, reported on the full text of the speeches given by Comrades Chen Yun and Wang Heshou at the national experience exchange meeting on consolidating party style.

Following the report he also delivered a speech in which he emphatically pointed out: Comrade Chen Yun's speech is directed at the entire party and is very important. There is no mistaking what the speech is aimed at; the speech is totally in conformity with the actual situation in the province. In concentrating on conducting economic construction and reforms, our province has created an unprecedentedly excellent situation. However, under the new situation, our province has also incurred a large number of unhealthy trends, noxious influence, and malpractices that are destroying the province's programs of carrying out economic construction and reforms. Not all party committees have grasped this problem well.

In his speech he put forward the following four demands in line with the problems emerging in the provincial-level organs:

1. Efforts should be made to earnestly study and penetratingly understand the spirit of Comrade Chen Yun's speech in order to enhance the consciousness of building the two civilizations simultaneously.
2. Efforts should be made to further strengthen the building of party style among leading bodies and improve or uphold the responsibility system enforced in consolidating party style. In building the party style among leading bodies, efforts should be made to conduct self-improvement on the one hand and to boldly grasp the task and boldly be responsible for it on the other.

3. Efforts should be made to vigorously enhance education on party spirit, style, and discipline and to strengthen ideological and political work so that, through education, we can fundamentally upgrade the awareness of party members concerning party spirit to ensure the purity of communism.

4. Efforts should be made to correctly understand the nature and function of the discipline inspection organs in order to further carry out the building of a contingent of discipline inspection personnel.

Departments and bureaus should assign cadres who are correct in work style, boldly uphold the principles of party spirit, boldly and persistently wage struggle, fear neither attack nor retaliation, and are strong in their party spirit to take up discipline inspection work in order to perfect the discipline inspection organs as soon as possible and to upgrade the quality of cadres in charge of discipline inspection work.

LIU JINGSONG REPORTED SHENYANG PLA COMMANDER

SK040101 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 3 Jul 85

[Text] The forum sponsored by the Shenyang Military Region on literary creation concluded in Shenyang City on 3 July. More than 70 new and old writers from PLA units gathered together to discuss the great plan for bringing about flourishing knowledge and literature.

Liu Jingsong, commander of the Shenyang Military Region; Liu Zhenhua, political commissar of the military region; and others were present at the forum and delivered speeches.

Since the 3d Plenary Session of the 11th CPC Central Committee, the Shenyang Military Region has flourished unprecedentedly in literary creation. At present, there are more than 300 writers throughout the military region who are writing literary and art articles for newspapers or periodicals run by the province or the cities. Since 1982, they have written more than 700 articles each year. Of their articles, 10 have won national prizes, 21 have won prizes at all-Army literary and art appraisal events, and 15 have won provincial or city literary prizes. The 10 writers have written 15 books.

At the forum, new and old writers, including (Jun Hong), (Gao Yibao), (Wang Guangcai), and (Liu Shaolin), delivered reports with on the topics of literature and politics, literature and life, literary creation, literary criticism, and on the new aspect or new means of artistic expression in literary creation. In their reports, they gave extensive details on their research and offered favorable suggestions for bringing about flourishing literature with military characteristics.

LI ZIQI SPEAKS AT GANSU ECONOMIC WORK FORUM

HK120849 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 10 Jul 85

[Text] At a forum on central Gansu economic work that ended yesterday, Li Ziqi, secretary of the provincial CPC Committee, pointed out that the general requirement on developing town and township enterprises and urban collective economy in the province is that we should not only accelerate the pace of development, but must also pay attention to efficiency. On the one hand, we must go all out and develop town and township enterprises and urban collective economy rapidly; on the other, we must refrain from rushing headlong into mass action and avoid blind construction.

Comrade Li Ziqi said: When we advocate vigorously developing town and township enterprises and urban collective economy, our basic aim is to make people rich. If we pay less attention to economic efficiency, it will seriously dampen the enthusiasm of the masses. Due to the fact that town and township enterprises and urban collective economy in the province is only in the initial stage, so we must lay stress on opening up to the outside world, on speeding up the development and on going all out. When the enthusiasm of the masses is aroused, we leaders at all levels must remain sober-minded, and strive to speed up development and achieve greater results on the premise of raising economic efficiency. According to this general requirement, at present, we must try every means to solve problems of shortage of funds and raw materials for town and township enterprises and urban collective economy. It is necessary to seriously screen and examine the existing and new projects, and earnestly conduct social investigations so that projects that involve little investment, return profits fast, and produce good economic results can be guaranteed in funds and materials. Efforts should be made to build a number of key projects, put them into operation, and achieve practical results within this year. All localities must, centered on ways and effects of town and township enterprises and urban collective economy, actively cultivate and train various urgently needed talented people in various forms, further perfect and implement relevant policies and decisions on supporting development of town and township enterprises and urban collective economy.

Comrade Li Ziqi also stressed that in the first half of this year, we mainly grasped inspection, study, digestion, and assimilation. We have held economic work conferences on south Gansu, east Gansu, Hexi, and central Gansu one after another, and have set policies, principles, targets and tasks for economic construction in these areas. Cadres at all levels in the province have realized more clearly than before the way of getting rich by developing industry and of invigorating Gansu's economy. The policies on economic development in different areas have become more perfect. In the second half of this year, all localities must shift the focus of their work to implementing policies and achieving practical results so that the experience of the south can yield positive results and promote further development of the province's urban and rural economy.

SHAANXI MEETING NOTES PARTY IDEOLOGICAL PROBLEMS

HK130601 Xian Shaanxi Provincial service in Mandarin 0500 GMT 13 Jul 85

[Text] A provincial forum on education for party members, convened by the Propaganda Department of the provincial CPC Committee, concluded in Xian on 11 July.

The meeting exchanged experiences in stepping up education for party members, looked into the existing problems, and proposed ways of solving them.

The participating comrades held: In order to lead and promote reform of the economic structure during the new period of the four modernizations, it is essential to step up the revolutionization of the party organizations themselves. To carry out extensive and deeply rooted ideological education for the party members is an important aspect of building the party organizations into revolutionized forces.

The participating comrades held: We have done some work in ideological education for the party members; however, this work has not been done extensively and deeply enough. Quite a number of grass-roots organizations are weak and lax, and have abandoned education for party members. The phenomenon of the party failing to manage the party still exists. The revolutionary will of some party members has weakened and they lay no stress on ideals. They have completely forgotten about serving the people. Some even barter the party's principles with lawless elements and act as propagandists for swindlers and speculators. The social atmosphere is bad in some places; there are violations of law and discipline, and very serious cases have even occurred. Yet the party organizations there pay no attention to these things.

This state of affairs tells us that the building of the party's grass-roots organizations must be stepped up, and ideological education for party members must also be strengthened.

The meeting held: To change this situation, the key lies in grasping party style, improving the quality of the party members, promoting party building, and stepping up education for party members. How are we to go about grasping education for party members? First, we must ensure that there is normal organizational life in the party. Second, we must link the education with the special features and problems of different departments and units. Third, we must take up the weapon of criticism and self-criticism. At the same time we must persistently conduct education by party lessons, which is an effective method.

XINJIANG CPC COMMITTEE PLENARY SESSION CONCLUDES

HK130222 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 12 Jul 85

[Excerpts] The 8-day Fifth Enlarged Plenary Session of the Third Xinjiang Regional CPC Committee concluded yesterday. The session demanded that the party organizations at all levels strengthen leadership, get a thoroughly good grasp of economic construction and all other work in the second half of the year, and score outstanding achievements to greet the 30th anniversary of the founding of the autonomous region.

The session elected the region's delegates to attend the national conference of party delegates. It conveyed the spirit of a number of important national meetings including those on science and technology and on education. Responsible comrades of prefectures and cities reported on the work performance in the first half of the year.

Regional CPC Committee First Secretary Wang Enmao spoke at the conclusion of the meeting. On behalf of the regional CPC Committee, he summed up work in the first half of the year and put forward specific demands for work in the second half. He said: Nationality unity in the region has been further strengthened. The state of law and order is stable. Party rectification has developed healthily. Reform of the economic structure has proceeded smoothly.

Developments have occurred in science, technology, and education. In particular, good successes have been achieved in economic construction. The national economy has developed in a sustained, steady, and coordinated way.

Comrade Wang Enmao said: This is the last year of the Sixth 5-Year Plan, and next year we will enter the Seventh 5-Year Plan. Making a success of work in the second half of the year will help to fulfill and overfulfill the Sixth 5-Year Plan and lay a good foundation for the Seventh 5-Year Plan.

The period covered by the Seventh 5-Year Plan is an important preparatory period for the development and construction of Xinjiang. Making a success of work on the second half of this year will also add more favorable conditions for the preparatory work for developing and building Xinjiang. We must therefore do a good job of the following tasks in the second half of the year:

1. Get a good grasp of economic work and ensure the fulfillment and overfulfillment of the year's national economic and social development plan.
2. Seriously promote reform of the urban economic structure and of the structures of science, technology, and education.
3. Do a good job in party rectification.
4. Step up education in ideals and discipline and further improve work on the ideological front.
5. Continue to step up political and legal work and promote a fundamental turn for the better in social order.
6. Further strengthen nationality unity.

Comrade Wang Enmao stressed: All six of these tasks are very important, but the key is to grasp economic work well. All other tasks must be centered on this core and promote the development of economic work. We must in particular promote water conservation, communications, and industrial construction. Every county should operate small hydro-electric and thermal power plants, small coal mines, small fodder processing plants, and plants for processing cucurbit and fruit. We must grasp the technological transformation of the enterprises and promote work regarding science, technology, education, and the training of talented people.

Comrade Wang Enmao said in conclusion: Apart from doing a good job in current economic work, we must also make long-term plans. At present we must formulate the 7th 5-Year Plan, which covers an important period for fulfilling the general goal of the 12th CPC Congress and making progress in sextupling the total value of the region's industrial and agricultural output. It is also an important period in the effort to bring the region's economic development up to slightly better than the national average. It is also an important period in our preparations for developing and building Xinjiang. We must assign the Seventh 5-Year Plan an important place on our agenda and make a success of this plan.

Li Jiayu and Janabil, secretaries of the regional CPC Committee, also spoke during the session.

TASK FORCE TO INVESTIGATE NUCLEAR PLANT FIRE

OW160455 Taipei CNA in English 0328 GMT 16 Jul 85

[Text] Taipei, July 15 (CNA) -- The Ministry of Economic Affairs [MOEA] has set up a task force to investigate the cause a recent fire at the third nuclear power plant in southern Taiwan.

Chang Chung-chien, a counselor with MOEA, has been designated by Economics Minister Lee Ta-hai as head of the task force. The investigation team is composed of advisers to MOEA, officials with the Commission of National Corporations and specialists with the responsible agencies.

In a telephone interview with a CNA reporter, Chang said that the main aim of the task force, which does not have a formal title, is to find out the truth and provide suggestions on ways of handling the case.

In order to have a better understanding of the incompleted insurance program for the third nuclear plant, Chang invited Chu Ching-yun, director of Taipower's department of finance, and a deputy director of the third nuclear power plant to a meeting Wednesday.

Both Taipower officials have shrugged off responsibility in the case, claiming that the slow process in the negotiations for the insurance program for the nuclear plant was not their fault.

Meanwhile, Chu Shan-tseng, vice president of the Taiwan power company, said that Taipower is currently looking for an independent third party to help investigate the cause of the accident.

Taipower has already contacted two consulting companies in the United States and Switzerland, MPR and BBC, asking for their assistance in the investigation, Chu said.

On the other hand, the Atomic Energy Council [AEC] pointed out that it has directed the industrial technology research institute to transport a set of high-precision material analysis equipment to the troubled plant as soon as possible. With the assistance of this equipment, it will be easier for trouble-shooters to find out the cause of the fire, the AEC said.

U.S. INTERFERENCE IN PRC POPULATION POLICY NOTED

HK140828 Hong Kong HSIN WAN PAO in Chinese 12 Jul 85 p 2

["New Talk" column: "China's Population Policy Is Excellent"]

[Text] The U.S. House of Representatives adopted two resolutions on 10 July criticizing China by saying it "is implementing its family planning policy by coercive abortions and sterilization" and attacking China's population policy. At a press conference before leaving for the United States and Canada, President Li Xiannian pointedly mentioned this matter, noting that the resolutions of the U.S. House of Representatives "interfered in China's internal affairs and vilified China."

Recently, under the pretext of discussing the UN Fund for Population Activities, some organs and people in the U.S. Government, the Senate, and the House of Representatives attacked China's population policy and its family planning work.

Before leaving his post in January of this year, Weisskopf, a WASHINGTON POST reporter stationed in Beijing, wrote three articles on China's population problem. These articles distorted China's family planning work by saying that China "is carrying out abortions in an unbridled manner and imposing an all-out destruction of ancient traditions and the childbearing habits of its 1 billion people."

We can say that some people in the United States want to create disturbances and that some have even resorted to distortion. The disturbance they have created over the population policy is just one example.

Every sovereign state has the right to formulate and implement its own population policy. This is common sense and an international norm. The discussions held by the U.S. Senate and House of Representatives on China's population policy have actually "interfered in China's internal affairs." In addition, their discussions were based on distorted "facts," such as those "reported" by THE WASHINGTON POST reporter. Fortunately, these "facts" did not deceive persons of insight in the United States who can give fair comments on problems. One example is (Funos) [fu nuo si 4395 6179 2448], director of the U.S. population research office. He went to China to investigate the population problem on three occasions. Early this year he refuted the distorted reports by THE WASHINGTON POST reporter. Another example is Marshall Green, a retired American diplomat. Recently he pointed out bluntly: "The U.S. stand on China's population policy is not sensible. In fact, the abortion rate in China is 40 percent lower than that in the United States."

Almost all of those who can objectively analyze China's population policy speak highly of the policy. China's population accounts for 22 percent of the world's population. Without the practice of family planning, the disastrous consequences arising from the expansion of its population are unimaginable. In carrying out family planning, China advocates a one-child policy. This does not mean that each family can have only one child. A rural family that has difficulties can have two children, and a minority nationality family can have three children. In fact, one-child families in China account for only 21.2 percent of the families with children. This indicates that China is not rigidly pursuing a "one-child family" policy as described by some people in the United States. Infanticide, which took place in some areas several years ago, is not part of China's population policy. Contrary to this, it violates Chinese laws. The distortion of China's population policy by THE WASHINGTON POST reporter is nothing but a manifestation of his prejudice!

Based on its own conditions, China plans to keep its population at about 1.2 billion by the end of this century. Without family planning its population would increase to 2.1 billion before the year 2080. All sensible people in the world -- except those with ulterior motives -- can understand and accept this plan.

ARMACOST REMARKS ABOUT PRC ECONOMY CITED

HK140620 Hong Kong HSIN WAN PAO in Chinese 12 Jul 85 p 5

["EveningTalk" column by Yang Chu: "Be Realistic and Unbiased"]

[Text] In a speech to a American Bar Association meeting, Armacost, under secretary of state for political affairs, talked about China's recent economic reform and development and remarked: "By any measure, Beijing's economic reforms of the past 6 years represent one of the boldest and most far-reaching attempts to restructure a major economy anywhere in the world."

Armacost said: Because of the economic reforms, "dramatic improvements have been realized in agriculture. China is not only able to feed its enormous population, but is an impressive exporter of key agricultural products to Asia and the world."

"In China, there is now a wider range and availability of consumer goods. The material benefits brought about by reform have been welcomed and supported by the vast majority of the Chinese population."

The under secretary emphasized the important impact of China's economic reforms on its political and economic role in the world, especially in Asia. He said: "We (the United States) believe that an economically strong and modern China is in our interests and the interests of Asia as a whole. We believe that a China capable of effectively deterring external aggression can play a positive role in the search for regional stability and peace."

People appreciate the remarks of the under secretary, not only because he praised China and affirmed China's economic reforms, but more importantly because he has a realistic and unbiased attitude to the development of China's affairs.

For example, China has succeeded in feeding its population of 1 billion, which is never an easy task, by introducing the production responsibility system in the countryside. This is one of its remarkable achievements. If one has no idea about China's past, one will not understand the implication of the figure of 1 billion people and the significance of the achievements in China's agriculture based on the rural economic reforms. One cannot acquire a correct understanding if one does not take a realistic and unbiased approach.

There are still some people in the United States who have prejudiced views toward China and who do not view China's affairs in a realistic way. The people who groundlessly attacked China's population policy in the House of Representatives belong to this category of people.

China is seriously carrying out its birth control policy. A population of 1 billion and limited arable land make it necessary to strictly implement the birth control policy. However, it is absolutely groundless to say that China has forced people to have abortions and to undergo sterilization operations.

The attacks were certainly a kind of slander and constituted an unfriendly act of rudely interfering in China's internal affairs. Without taking a realistic and unbiased viewpoint to observe China's affairs as well as looking at objective factors, it is hard for one to acquire an accurate impression.

MING PAO: CRIMINAL CLIQUE EXPOSED IN SHENYANG

HK140706 Hong Kong MING PAO in Chinese 12 Jul 85 p 5

["Special Dispatch From Beijing": "Shenyang Exposes Criminal Clique"]

[Text] A certificate-forging criminal clique has recently been exposed in Shenyang, Liaoning Province. From 1976 to the end of 1982, this criminal clique forged military status certificates, party membership certificates, and residence cards in the city for over 50 people by stealing residence transfer certificates, engraving official seals, falsifying files, and by using other methods. They formed a huge network in the Army and in local areas. Five cadres at or above the rank of a regimental commander and 58 Chinese Communist Party members were involved in the network. Chen Qimei, the principal criminal in the crime, has been arrested.

According to a report carried in a restricted publication of the Liaoning Provincial CPC Committee, Chen Qimei was transferred to civilian work from the Army in 1979. He was the deputy party secretary of the Discipline Inspection Commission of the CPC Committee of the Shenyang Standard Parts Industrial Company. He is very experienced in forging certificates. When he was still in the Army, he falsified servicemen's files for his own son and seven others who are children of the Army officers by using his former organizational affiliation and other relationships, and thus was able to receive their pay for quite a long time. He also obtained through deceptive means more than 1900 yuan in servicemen's subsidies, grain coupons for more than 2800 jin, and uniforms and bedclothes worth more than 390 yuan.

At the same time, Chen Qimei falsified files for more than 300 peasant soldiers so as to enable them to work in the cities after being transferred to civilian work. All these peasant soldiers were either relatives or children of people connected with him. At that time, some people asked: "What will happen if this is discovered?" He said fearlessly: "No one will dare to check when the power is in our hands."

In 1979, when Chen Qimei was transferred to civilian work, he brought his network and his methods to the local areas. In October 1980, one of his former comrades-in-arms asked Chen Qimei to help one of his relatives move into the city from the rural area and permanently reside in the city. On receiving a big gift from his former comrade-in-arms, Chen Qimei immediately collaborated with the policeman in charge of household registration at the police substation and with the director of the grain distribution station and obtained a residence transfer certificate and the certificate concerning the transfer of grain rations. As a result, he easily succeeded in getting the relative of his former comrade-in-arms into the city.

What is more surprising, when getting the relative of his former comrade-in-arms into the city, Chen Qimei also managed to increase the number of people allowed from 1 to 10. Soon afterwards, he managed to transfer the registered permanent residences of the 10 people to Beijing, Shenyang, Chifeng, and other cities.

Chen Qimei was still not satisfied with his activities. In order to enable some of his relatives and friends to be promoted in the local areas, he engraved official seals, stole officially sealed blank applications for party membership and league membership for four people. Chen Qimei also secretly wrote letters of introduction for the membership applications of the four people. As a result, some of these false party members and false league members have become cadres.

Chen Qimei and the people involved in his case have now been arrested in accordance with the law. The relevant members of his network have been temporarily relieved of their posts for self-examination. Their cases are now waiting to be handled.

That Chen Qimei succeeded in carrying out all these illegal activities shows the very serious bureaucratic situation among the leaders at the various levels of the Chinese Communist Party. It is still hard to predict whether this case will be made public to educate the people or not.

CITIC PLANS TO ISSUE BONDS IN HONG KONG

HK160343 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS supplement) in English
16 Jul 85 p 1

[Text] China International Trust and Investment Corp'n (CITIC) is to raise \$300 million on the Hong Kong capital market by issuing five-year bonds. The company announced yesterday it will issue its first Hong Kong dollar bond after raising 300 billion yen through a samurai bond issue in Tokyo in January. Its landmark issue is the first for any authorised entity of China in the Hong Kong capital market.

Bankers believe China will raise more funds on the Hong Kong market in the future. Many leading Chinese officials, including those from the Bank of China, have visited Hong Kong and talked to the banking community here on the possibility of tapping the local market. The five-year bond, to be lead-managed by Chase Manhattan Asia Ltd. will be issued in bearer form in denominations of \$500,000, the announcement said. Interest, payable semi-annually, is fixed at 9.375 per cent, 0.475 per cent lower than the rate enjoyed by China Development Finance Co which earlier announced an issue of \$100 million certificates of deposits (CD). Established in 1979, CITIC was the first Chinese corporation to issue a foreign bond since 1949 when it raised 10 billion yen through private placement in Japan three years ago. Earlier, the Bank of China announced an issue of deutschmark denominated Eurobonds.

A Chase Manhattan Asia spokesman said CITIC's issue will bring to the local market a name whose prestige will further enhance the development of the Hong Kong securities market. The CITIC bonds will not be listed on any exchange and a co-management group is being formed. CITIC had been talking about issuing bonds in Hong Kong for quite some time. At first it contemplated bonds denominated in U.S. dollars. Bankers believe CITIC decided on the Hong Kong dollar funding probably because it wanted to invest in local projects. The company will announce further details at a press conference today. Meanwhile, the underwriting group for China Development Finance's CD issue has been formed, a Paribas Asia Ltd spokesman announced yesterday. The issue, with a maturity of three years and a fixed rate of 9-13/16 per cent, is underwritten by CCIC Finance Ltd, Chiyu Banking Corp'n, Citicorp International Ltd, Manufacturers Hanover Asia Ltd, Orion Royal Pacific Ltd, Sanwa International Finance Ltd, Schroder Asia Ltd, Standard Chartered Asia Ltd, Wardley Ltd and Paribas Asia Ltd.

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